

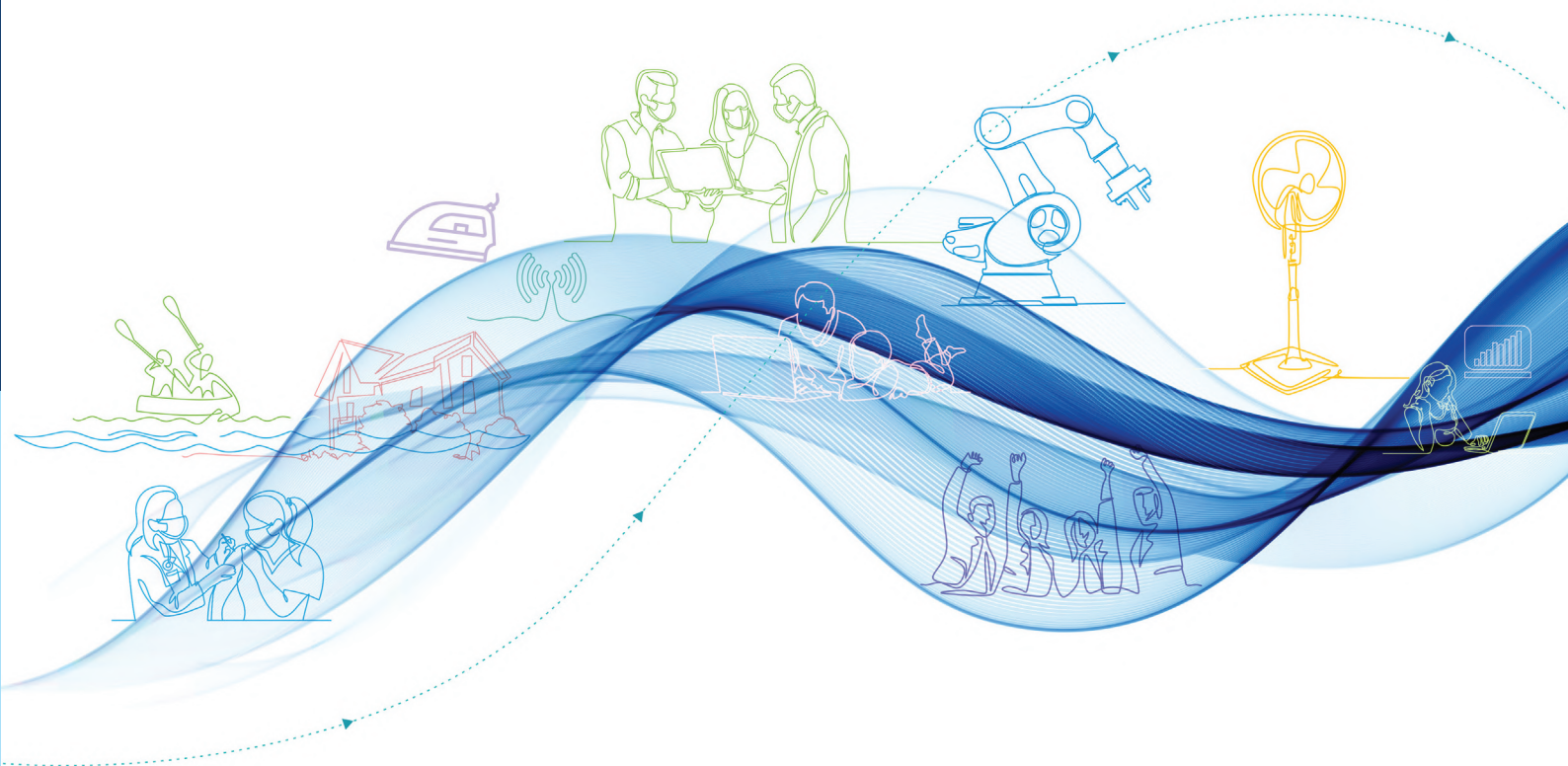
Panasonic

Panasonic Manufacturing Malaysia Berhad
(Registration No.: 196501000304 (6100-K))

TURNING THE TIDE

ANNUAL REPORT 2022

FOR THE FINANCIAL YEAR ENDED **31 MARCH 2022**



Live Your Best

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57th

ANNUAL GENERAL MEETING



Monday, 29 August 2022
2.30 p.m.



Meeting Platform:
[https://meeting.
boardroomlimited.my/](https://meeting.boardroomlimited.my/)

Meeting Venue:
Panasonic Manufacturing
Malaysia Berhad

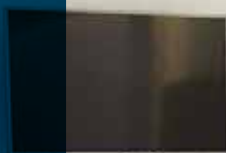


Refer to pages 136 to 139
for Annual General Meeting
Information



The soft copy of Panasonic
Manufacturing Malaysia Berhad
Annual Report 2022 is available
on our website.

Installation Appliances



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~ Proxy Form

Panasonic

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Azman bin Mahmud
(Chairman)

Kenji Kamada
(Managing Director)

Raja Anuar bin Raja Abu Hassan

Dato' Kaziah binti Abd Kadir

Tan Sri Hasmah binti Abdullah

Siew Pui Ling

Kwan Wai Yue

Michikazu Matsushita

Keisuke Nishida

AUDIT COMMITTEE

Raja Anuar bin Raja Abu Hassan
(Chairman)
(Independent Non-Executive Director)

Dato' Kaziah binti Abd Kadir
(Independent Non-Executive Director)

Tan Sri Hasmah binti Abdullah
(Independent Non-Executive Director)

REMUNERATION COMMITTEE

Tan Sri Hasmah binti Abdullah
(Chairman)
(Independent Non-Executive Director)

Raja Anuar bin Raja Abu Hassan
(Independent Non-Executive Director)

Dato' Kaziah binti Abd Kadir
(Independent Non-Executive Director)

NOMINATION COMMITTEE

Dato' Kaziah binti Abd Kadir
(Chairman)
(Independent Non-Executive Director)

Raja Anuar bin Raja Abu Hassan
(Independent Non-Executive Director)

Tan Sri Hasmah binti Abdullah
(Independent Non-Executive Director)

COMPANY SECRETARY

Leong Oi Wah
(MAICSA 7023802)

SOLICITORS

Shook Lin & Bok

REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel : +603 – 7890 4700
Fax : +603 – 7890 4670
Email: BSR.Helpdesk@boardroomlimited.com

PRINCIPAL BANKERS

MUFG Bank (Malaysia) Berhad
Malayan Banking Berhad

AUDITORS

KPMG PLT

STOCK EXCHANGE

Main Market of Bursa Malaysia
Securities Berhad
Sector : Consumer Products & Services
Sub-sector : Household Goods
Stock Code: PANAMY 3719

REGISTERED OFFICE

No. 3 Jalan Sesiku 15/2
Section 15
Shah Alam Industrial Site
40200 Shah Alam
Selangor Darul Ehsan
Tel : +603 - 5891 5000
Fax : +603 - 5891 5101
Email: ir.pmma@my.panasonic.com



CHAIRMAN'S STATEMENT



Revenue
RM869
million



Profit before tax
RM53.0
million

DATO' AZMAN BIN MAHMUD

Chairman,
Independent Non-Executive Director



Financial year ended 31 March 2022 continued to be a challenging year for the Company, especially with the emergence of COVID Delta variant which brought about reinstatement of intermittent lockdowns in Malaysia by the government in an effort to control the spread of the virus. Various stages of movement control orders implemented in the country from June to August 2021 and the reduced workforce capacity to total lockdown had directly impacted the production capabilities of the Company and its local supply chain.



DEAR SHAREHOLDERS,

IT IS WITH GREAT PLEASURE FOR ME TO GIVE MY MAIDEN STATEMENT AS YOUR CHAIRMAN, HAVING TAKEN OVER FROM OUR FORMER CHAIRMAN, TAN SRI ASMAT BIN KAMALUDIN, WHO DEDICATED 20 YEARS OF SERVICE TO THE COMPANY. I ALSO WISH TO THANK THE BOARD FOR THEIR CONFIDENCE IN ME TO TAKE OVER THE HELM FROM TAN SRI ASMAT.

As COVID infections slowly declined towards the second half of the financial year amidst high vaccination rates achieved and with the easing of containment measures, the operations of the Company had stabilised. However, disaster in the form of flood struck in mid-December 2021; inundating the SA2 factory which produces fans and vacuum cleaners. Operations were only able to fully resume in March 2022.

Despite the multiple headwinds faced, the Company was able to perform reasonably well and achieved profitability; drawing from its past experience by taking immediate steps to intensify safety and preventive measures, adjusting sales and production in accordance with the new operating landscape as well as ensuring supply and availability of the Company's products with business partners.

FINANCIAL REVIEW

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of the Company for the financial year ended 31 March 2022.

The Company achieved a revenue of RM869 million, a decrease of RM106 million or 10.9% as compared to the previous year's revenue, mainly attributable to the prolonged effect of various lockdown measures due to COVID-19 pandemic and the impact from the flood incident that occurred in mid-December 2021 which had affected the operations of the SA2 Plant.

Correspondingly, the Company achieved a lower combined profit before tax for the year under review, representing a decrease of RM82.1 million or 61% as compared to the previous year's results. The decrease in profitability was mainly attributable to the lower revenue recorded, rising cost of raw materials, losses arising from the flood incident and restructuring costs incurred due to the termination of certain products. Apart from these factors, both the share of profit from the associated company and the interest income registered a reduction as compared to the previous financial year.

CHAIRMAN'S STATEMENT

(CONTINUED)

ADJUSTING TO THE NEW NORMAL (COVID-19)

The on-going pandemic, which saw cases and mortality rates spiking with the emergence of the more deadly Delta variant in 2021, has put many parts of the world, including Malaysia, on high alert. Health and Safety which has always been one of the Company's strategic priorities, became more prominent.

The Company enhanced its safety measures, implementing mandatory bi-weekly swab tests for all its employees and accelerating the vaccination of its entire workforce. Additional standard operating procedures (SOPs) were put in place including the prohibition of unvaccinated persons including contract workers and suppliers' employees from entering the Company's premises to prevent the spread of the virus amongst the employees.

To date, 99.6% of the entire workforce has been fully vaccinated; with a further 81% receiving booster doses. However, at the peak of the Delta variant outbreak, we lost two of our employees to the deadly virus.

NATURAL DISASTER: FLOOD

The Company's SA2 Plant which is located at Section 23, Shah Alam was inundated by floods in mid-December 2021 due to the continuous heavy downpour in Klang Valley. The production of the Fan and Vacuum Cleaner products at the SA2 Plant was disrupted for quite some time for the Company to assess the condition of machineries and equipment which has been affected by the flood water.

Some of the key local suppliers located in the vicinity of Shah Alam and Klang were also affected by the flood incident, and this had also led to the disruption of production activities in the other manufacturing plant (SA1 Plant). The operational activities for the SA2 Plant resumed partially in January 2022 and the Company was only able to resume its full operations at this plant from March 2022. The Company had incurred substantial losses in the form of damaged inventories and facilities and the loss of sales and production for the financial year ended 31 March 2022. Partial insurance compensation has been received during the financial year whilst the remaining claims are still under negotiation.

RESTRATEGISING PRODUCTS MIX

The Board had after careful deliberation taken the decision to exit from the uncompetitive Rice Cooker business during the financial year. The Rice Cooker products have not been profitable for the past years due to high material cost which eroded profit margins. The Company, together with its holding company, are in the midst of identifying new range of products as replacement; which will be announced in due course.

CAPITAL MANAGEMENT

As of 31 March 2022, the Company's cash and cash equivalents stood at RM443 million compared to RM524 million in the previous year. The Group continues to maintain a conservative capital structure to have the flexibility and resilience to utilise internally generated funds for capital investments, sustain a stable dividend payout to shareholders and to have the capability to pursue new investments.

DIVIDENDS

The Company is pleased to propose a final dividend of 68 sen (FY2021:148 sen) per ordinary share for the financial year ended 31 March 2022, together with the interim single tier dividend of 15 sen per ordinary share makes the total gross dividend for FY2022 to be 83 sen (FY2021:163 sen) per ordinary share.

SUSTAINABILITY

The Board upholds its commitment to undertake responsible manufacturing practices, focusing on sustainability and good corporate governance. In this connection, I am pleased with the continuous focus in meeting the ever-changing business environment and our strong commitment towards action taken to ensure continuous sustainability efforts alongside our pursuit for business growth and creating long-term value for our stakeholders, in terms of sustainable living and advanced technological innovation.

The Company through collaboration with Panasonic Appliances R & D Centre Asia Pacific Sdn. Bhd. is developing new technology and expertise in sustainable engineering in order to deliver innovative solutions which will definitely improve our customers' trust and confidence towards our business approach. Our establishment of the Manufacturing Capability Development Department to spearhead digitalisation of business as part of Industry 4.0 initiatives, will transform the Company through Industrial Internet of Things ("IIOT"), Robotics Process Automation ("RPA") and Smart Robotics, in order to strengthen business competitiveness. Various actions such as structured training and development programme for Production Engineering Personnel, development of Information Sharing Platform and Innovative Meeting Platform are in our plans to drive the digital transformation culture.

I am pleased with the progress made and grateful to our stakeholders for their support on this important sustainability journey. More information on our many Sustainability initiatives is covered under the "Sustainability Report" section from pages 17 to 36.

CHAIRMAN'S STATEMENT

(CONTINUED)



Our establishment of the Manufacturing Capability Development Department to spearhead digitalisation of business as part of Industry 4.0 initiatives, will transform the Company through Industrial Internet of Things ("IIOT"), Robotics Process Automation ("RPA") and Smart Robotics, in order to strengthen business competitiveness.

DIRECTORATE

For financial year ended 31 March 2022, there were some changes to the Board composition with the resignation of Mr Shigeru Dono and Mr Cheng Chee Chung from the Board on 1 October 2021 and 1 April 2022 respectively. I would like to take this opportunity to thank them for their immense contributions and invaluable guidance to the Company.

I welcome Mr Michikazu Matsushita and Mr Keisuke Nishida to Panasonic Manufacturing Malaysia Berhad as our new Non-Independent Non-Executive Directors starting from 1 October 2021 and 1 April 2022 respectively, as well as the retirement of Tan Sri Asmat Kamaludin on 30 August 2021. With their wealth of experience, the Company is well placed to take another step forward in its growth journey.

NOTE OF APPRECIATION

Financial year ended 31 March 2022 had been a difficult year, and I would like to express my deepest gratitude to all employees for their valuable contributions and hard work and to the Management team who have been a true anchor in the Company's journey.

I wish to convey my sincere appreciation too to all our investors, shareholders, business partners, suppliers and customers for their loyal support and trust, and to the Board of Directors for their wise counsel, guidance and invaluable contributions.

The Board and I acknowledge that we are all going through extraordinary times that will long stay in our memories and will undoubtedly be a major chapter in the annals of history.

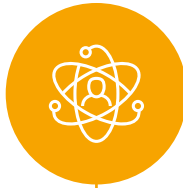
Dato' Azman Bin Mahmud
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS



DEAR SHAREHOLDERS,

I AM PLEASED TO PRESENT THE MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A") OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022. THE MD&A PROVIDES INSIGHT INTO THE COMPANY'S OPERATIONS, FINANCIAL PERFORMANCE AND EXPECTATION GOING INTO FINANCIAL YEAR 2023.



BUSINESS STRUCTURE

The Company operates at two factories which are located at Section 15 ("SA1 Plant") and Section 23 ("SA2 Plant"), Shah Alam, Selangor.

The Company, as an electrical home appliances manufacturer operates under two business segments, namely, Appliances and Life Solutions. However, due to the new business restructuring within the global Panasonic Group, the Company's reporting segments had changed with effect from 1 October 2021 to new product segments, namely, the Living Appliances & Solution Company ("LASC") and Heating & Ventilation A/C Company ("HVAC") of the Lifestyle Update Business.

Products regrouped in the new LASC segment are, Vacuum Cleaners, Irons, Bidets, and Kitchen Appliances whilst Electric Fans, Ceiling Fans, Ventilating Fans, Dish Dryers and Home Showers are part of the HVAC segment.

Sales to the ASEAN region such as Thailand (4%), Vietnam (19%), the Singapore (6%) and other neighbouring countries represent approximately 34% of the total Company's revenue whilst domestic sales contribute approximately 35% of total sales. Exports to the Middle East region contribute approximately 22% of total revenue and the remaining sales are to other countries including Japan.



KENJI KAMADA
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)



BUSINESS STRATEGY

Being a key player in the electrical goods industry, the Company aspires to widen its presence in the domestic and export markets which it trades in, especially for key products such as Ceiling Fans, Home Showers and Vacuum Cleaners. The Company will provide value to its customers in residential spaces like bathroom, living room, bedroom and kitchen by developing local fit products especially for key products which have high market growth potential.

Fans and other home appliances such as Home Showers remain a preferred brand amongst consumers and occupy the top three market positions in Malaysia.

To remain competitive amidst rising cost of labour and labour shortage especially in the 3D (Dirty, Difficult, Dangerous) environment, the Company will continue to drive automation in manufacturing processes with an aim to achieve "Smart Factory" by 2030. Progress of this initiative will be further explained in the Operations Review section.

INTRODUCTION

The cloud of COVID-19 continued to hang heavily over the socio-economic environment in 2021. Amidst the resurgence of COVID-19 and flood calamity faced, the Company remained steadfast in pursuing its priorities and delivered profitable results for the current financial year.

FINANCIAL PERFORMANCE

RM MILLION	2022	2021	CHANGES %
Revenue	868.8	974.6	(10.9)
- Domestic	307.3	344.0	(10.7)
- Export	561.5	630.6	(11.0)
Operating expenses	(857.0)	(876.4)	(2.2)
Other operating income	18.5	6.2	198.4
Fair value gain/(loss) on derivative financial instruments	1.0	0.2	+400.0
Results from operating activities	31.3	104.6	(70.1)
Finance income	7.9	10.2	(22.5)
Share of results of associated company (net of tax)	13.8	20.3	(32.0)
Profit before taxation	53.0	135.1	(60.8)
Taxation	(1.5)	(18.6)	(91.9)
Profit after taxation for the financial year	51.5	116.5	(55.8)

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)



Lower sales were achieved in both the domestic and export markets, mainly attributable to the prolonged effect of the various lockdown measures due to COVID-19 pandemic and the impact of the flood incident in December 2021 which had affected the operations of the SA2 plant.

Revenue

The Company recorded revenue of RM869 million for the financial year 2022, which was a decrease of RM106 million or 10.9% as compared to the previous year's revenue of RM975 million. Lower sales were achieved in both the domestic and export markets, mainly attributable to the prolonged effect of the various lockdown measures due to COVID-19 pandemic and the impact of the flood incident in December 2021 which had affected the operations of the SA2 plant.

To prevent the rapid spread of the COVID-19 virus, various lockdowns and limitations in operational capacity was implemented by the Malaysian Government in 2021; including the Enhanced Movement Control Order ("EMCO") from 3 to 16 July 2021 where the Company's production and sales activities ceased as only the essential economic sectors were allowed to operate. From 19 July to 15 August 2021, the Company resumed its operations with only 60% workforce capacity. The Company was only able to operate with full workforce from 16 August 2021 with the achievement of vaccination percentage amongst its employees. However, the operational activities were further impacted by supply chain disruptions, inadequate supply of materials and manpower shortage issues. The situation only stabilised towards the second half of the financial year 2022.

The operational activities for SA2 plant were affected by the flood incident on 18 December 2021; causing damages to both raw material inventories and certain facilities within the Company's premises. As a result, production of Fan and Vacuum Cleaner products halted from 18 December 2021 until 31 December 2021. Some of the key local suppliers located in the vicinity of Shah Alam and Klang were also affected by the flood, and this had led to disruption in supply chain. The affected plant had resumed partial operations from January 2022 and was only able to operate at full capacity from March 2022.

Results from Operating Activities

Corresponding to the lower revenue achieved, the Company's profit from the operating activities achieved RM31.3 million for the year ended 31 March 2022, represents a decrease of 73.3 million or 70.1% as compared to the previous year's profit of RM104.6 million. The lower profitability was also attributed by the operational losses from the flood incident and rising cost of raw materials including steel, aluminium, copper, and resin.



MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)



Apart from the losses arising from the reduction of sales and production due to the flood incident, operating expenses also increased due to write-off of damaged inventories and repairs of affected facilities from the flood incidents. Insurance claimed and claimable amounting to RM12.1 million was recognised in the financial year under review, whilst the remaining claims from the insurer are still currently under negotiation.

Restructuring Costs

In addition, during the financial year under review, the Company had incurred restructuring costs amounting to RM13.3 million for the termination of Rice Cooker products and certain Kitchen Appliances products. The Rice Cooker products have not been profitable for the past years due to high material cost which eroded profit margins, hence the decision to terminate this production line. Some of the Kitchen Appliances products will be terminated within the next financial year as well due to the realignment of global production for the Panasonic Group. The restructuring costs incurred include retrenchment costs, impairment of facilities and potential write-off of unutilised inventories. Albeit the cost incurred, the Company has now created a new and more sustainable cost base.

Finance Income

Finance Income for the year ended 31 March 2022 was recorded at RM7.9 million, which was lower by RM2.3 million or 22.5% as compared to the previous year's finance income of RM10.2 million. The reduction was due to the lower amount of deposits placed as some of the funds were utilised for payment of dividends and capital expenditure during the year. Interest rates remained low during the financial year under review following Bank Negara Malaysia's initiative to keep policy rates low to cushion the impact of COVID-19 on the Malaysian economy.

Share of Results of Associate Company

The share of results of associate company of RM13.8 million for the financial year ended 31 March 2022 was lower by RM6.5 million or 32% as compared to RM20.3 million in the previous year. This lower share of results was mainly attributed to lower sales and profitability due to prolonged effect from lockdown measures of the COVID-19 pandemic.

Profit Before Tax

The Company achieved a lower combined profit before tax of RM53 million for the year ended 31 March 2022, representing a decrease of RM82.1 million or 60.8% as compared to the previous year's results of RM135.1 million.

Taxation

The effective tax rate of the Company for the financial year ended 31 March 2022 was approximately 2.9%, significantly lower than the statutory tax rate of 24%. Despite the lower profitability recorded, the Company was still eligible to enjoy certain tax incentives, resulting in the lower effective tax rates. These tax incentives enjoyed include the promotion of export, double deduction for R&D expenses, and the special reinvestment allowance ("RA") under the short-term Economic Recovery Plan ("PENJANA") as announced by the Malaysian Government on 5 June 2020. In addition, the Accelerated Capital Allowance for machinery and equipment with initial allowance of 20% and annual allowance of 40% enjoyed also assisted to lower the effective tax rate.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

Cash balances and cash flow

The Company recorded net operating cash flow of RM30.8 million, a decline of RM64.8 million or 67.8% as compared to the previous year amount of RM95.6 million. The reduction in operating cash flow was mainly due to lower profitability arising from lower sales and production as a result of disruption in manufacturing activities from COVID-19 pandemic and the flood incident. Cash and cash equivalents as at 31 March 2022 amounted to RM442.7 million, after payment of dividends of RM99 million and payment for capital expenditures of RM34.6 million during the financial year.

Capital Expenditure

During the financial year under review, the Company utilised most of the capital expenditure expenses on the new building at the SA2 plant location and other manufacturing facilities to achieve further operational and cost efficiencies.

Dividend

An interim dividend of 15 sen per ordinary share amounting to RM9.1 million was paid on 21 January 2022. Despite the challenging environment and lower financial results recorded, the Company remains committed to pay dividend and is proposing a final dividend of 68 sen per ordinary share for the shareholders' approval at the forthcoming Annual General Meeting.

ANALYSIS OF PROFIT BY SEGMENT

Living Appliances and Solution (LASC)

RM MILLION	2022	2021	CHANGES %
Revenue	306.5	368.9	(16.9)
- Domestic	75.3	88.1	(14.5)
- Export	231.2	280.8	(17.7)
Profit Before Tax	3.4	50.1	(93.2)

The LASC products segment achieved revenue of RM306.5 million for the financial year ended 31 March 2022, lower by RM62.4 million or 16.9% as compared to the previous year's revenue of RM368.9 million. Analysing the sales by geographical location, sales for both the domestic and export markets reduced by approximately 14.5% and 17.7% respectively against last year's sales performance; mainly attributed to prolonged effect of lockdown measures and flood incident which had affected the sales and production of Vacuum Cleaner products.

The LASC products segment achieved profit before tax of RM3.4 million for the year ended 31 March 2022, lower by 93.2% or RM46.7 million as compared to the previous year's profit before tax of RM50.1 million. The lower profitability was mainly attributed to lower sales achieved, rising cost of raw materials, and the one-off restructuring cost incurred due to termination of certain products.

Heating and Ventilation A/C (HVAC)

RM MILLION	2022	2021	CHANGES %
Revenue	560.9	605.5	(7.4)
- Domestic	231.5	255.9	(9.5)
- Export	329.4	349.6	(5.8)
Profit Before Tax	33.0	76.9	(57.1)

There was a lower revenue achieved by the HVAC products segment in the current financial year due to the impact of the COVID-19 pandemic and operational disruption for Fan products arising from the flood incident. HVAC products' revenue of RM560.9 million for the financial year ended 31 March 2022 was lower by RM44.6 million or 7.4% as compared to the previous year's revenue of RM605.5 million. For this segment, the sales in both domestic and export markets were lower compared to the previous year's revenue, a reduction of 9.5% and 5.8% respectively.

Corresponding to the lower revenue, the HVAC products segment recorded a lower profit before tax of RM33.0 million for the year ended 31 March 2022, a decrease of 57.1% or RM43.9 million as compared to the profit before tax registered in the previous year amounting to RM76.9 million; mainly attributed to lower sales achievement, operational losses arising from the flood incident and rising cost of materials.



MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)



OPERATION REVIEW

Despite the headwinds faced, the Company continued to develop and launch new range of product lineups in the Home Shower, Vacuum Cleaner and Fan categories.



APPLIANCES PRODUCTS

To expand the Home Shower products lineup, the Company had launched 2 Rain Shower Water Heaters in the year 2021. Two models have been introduced namely, DH-3NDP1MSR which comes with LCD panel and DH-3NP2MSR which comes without the LCD panel. Both models have been created with a built-in DC pump and a wattage of 3.6 kW. The Company also launched the sales of the Bagless Vacuum Cleaner via Panasonic Online Channel.



Panasonic Rain Shower Water Heater

Panasonic DC pump is the first built-in DC pump in the water heater industry. It is able to boost water flow for consumers to enjoy a hot shower even with low water pressure. The model equipped with LCD panel has a stylish and Easy-to-See LCD screen. It is incorporated with an E-Cycle mode which generates 40 seconds of hot water and 30 seconds of cold water continuously, giving a saving of 43% on electricity usage.

The shower heads of these models come with Ag+ (silver), an antibacterial material which prevent bacteria growth in the shower head. Placing safety as the top priority, this Water Heater offers 9 safety points to protect against water splashes, fire, electric shock, and other potential accident. It is also equipped with other safety features like the UL-94-V0 Classification Material which is self-extinguishing and non-flammable for its external casing (front and back plate) to prevent from fire spreading and the Built-in Leakage Breaker (ELB) which acts as a safety device that detects power leakage in preventing electric shock.

Bagless Vacuum Cleaner – MC CL431

The Vacuum Cleaner: MC-CL431 is a bagless type vacuum where dust is accumulated in a 1.2 L dust compartment and built-in with 350W suction power. It comes with HEPA filter that can capture small particles such as allergens, irritants and pollutants, thus clean air is emitted from the exhaust.

Apart from that, the Vacuum Cleaner comes with a 2-step Floor Nozzle which can easily be adjusted for different floor surfaces, either on carpet or hard floor.



MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

FAN PRODUCTS

The Company expanded its range of Ceiling Fans into the Philippines market and the Wifi Ceiling Fan range into the Vietnam market.

Expanding Ceiling Fan Market

The Company introduced a total of 4 new models into the Philippines market; 3 models with 60" of 5-blades namely F-60TDN, F-60XDN and F-60UFN (LED light) and one model F-48DFL (LED light) with 48" of 3 blades. All models are well equipped with Direct Current (DC) motor, which is quieter, lighter in weight and use less energy.

The models have been built with 9-speed control and equipped with 1f/Yuragi function which provides a gentle breeze effect, Sleep Mode and On-Off Timer.



Wifi Ceiling Fan for Export market

Following the successful launch of WIFAN series (Wifi Ceiling Fan) in the Malaysian market in December 2020, the Company continued to expand the series into the Vietnam market. Three variant models, F-48DGL, F-60DGN and F-60DHN have been launched in Vietnam in August 2021 and it retains the same features with WIFAN series that is sold in the Malaysian market.

REVOLUTION OF INDUSTRY 4.0

The adoption of Industry 4.0 technology to improve efficiency in the operational activities is a key pillar of the Company's long-term strategy of transformation and innovation. The Company has partially implemented smart technologies in its pilot phase for selected production lines; the Internet of Things (IoT) and Computer Maintenance Management System (CMMS) during the financial year under review.

With the implementation of IoT for both Home Shower and Ceiling Fan assembly, the production processes have become more visualized and thus enabling supervisors and managers to respond to any issues efficiently and effectively. The overall line efficiency has improved more than 5% compared to pre-implementation stage. The Management has decided to scale over the implementation of IoT to other remaining products like Vacuum Cleaner, Electric Fan and Ventilation Fan and Parts manufacturing areas in the coming years; and to ultimately achieve a target of 10% increase in productivity upon full implementation of the system.

Apart from that, CMMS which acts as a repository of information or data related to repair maintenance concept, spare parts management, assets management and planning method has been able to help the Management to analyse and plan its maintenance operations as well as develop strategies when faced with downtime and malfunction of equipment.

The adoption of this technology has successfully enhanced the maintenance efficiency for job requisition by 20% and forms a strong foundation for Preventive Maintenance in operational activities.

The Company continued to make in-road in its 5-year robotics and automation plan, to transform manual into semi-auto and fully auto processes to mitigate heavy reliance on foreign workers especially in the 3D (Dangerous, Dirty and Difficult) job areas.

MANAGING COVID-19

The COVID-19 pandemic has changed the work landscape and redefined the way we work, collaborate, and interact with each other. To remain competitive and productive, and also riding the waves of volatility (changes on SOP from time to time), it was important for the Company to review the existing process and measures its implementation in order to curb the rising rate of COVID-19 infections amongst employees.

Towards the end of the first Movement Control order (MCO) in May 2021, when the Company has been allowed to resume its operational activities, the Company had made some extensive changes to the working environment which among others; the establishment of an emergency response plan team that will manage matters in relation to COVID-19 pandemic, enforcement of social distancing, compulsory daily temperature check, wearing of mask and gloves as well as regular sanitising throughout the plants. Apart from that, the Company also took the initiative to activate the work-from-home structures with the objective to reduce the number of staff at the workplace.

MANAGEMENT DISCUSSION AND ANALYSIS

(CONTINUED)

Since the year 2021 proved to be an extension to the previous year's unprecedented challenges, the Company's primary focus was to ensure the safety, health, and mental well-being of its employees. Therefore, besides the existing mandatory requirements, the Company had implemented further measures such as mandatory biweekly swab tests for all its' employees and accelerating the vaccination of its' entire workforce. Additional standard operating procedures (SOPs) were put in place including the prohibition of unvaccinated persons including contract workers and suppliers' employees from entering the Company's premises to prevent the spread of the virus amongst its employees.

To-date, 99.6 % of the entire workforce has been fully vaccinated; with a further 81% having received their booster doses. However, at the peak of the Delta variant outbreak, we lost two of our employees to the deadly virus.

BUSINESS OUTLOOK

The Global economic signs of recovery were dampened by the resurgence of COVID-19 in China coupled with its implementation of strict COVID-19 containment measures, which will constrain the economic activity in the near term.

The Malaysian economy grew by 5.0% in the first quarter of 2022 (4Q 2021: 3.6%) as reported by the Bank Negara Malaysia and this was supported by the higher domestic demand and the gradual easing of movement restrictions. As the nation transitions to endemic phase of COVID-19 and business activities increases, consumers spending nationwide is expected to further improve.

The Company foresees that financial year 2023 will continue to be a challenging year with the recent outbreak in China coupled with the on-going conflict between Ukraine and Russia which may lead to the re-escalation in global supply chain disruptions and rising costs of raw materials.

Nevertheless, to ensure that there is sustainable operations and business performance, the Company will continue to stand resilient against the upcoming risks and challenges. The Company will continue to exercise caution in the conduct of its business activities and ensuring adherence to the requisite health and safety requirements. The Company will focus more on its automation journey to strengthen its manufacturing capabilities and at the same time explore new business opportunities.



INCREASE IN SHAREHOLDERS' WEALTH

As at 31 March 2022, the issued and paid-up capital of the Company is RM60,745,780 divided into 60,745,780 ordinary shares of RM1.00 each. Details of changes in the issued and paid-up share capital of the Company and cumulative number of shares held by a shareholder with an initial investment of 1,000 shares is shown below:

Financial Year/Period	No. of Shares Allotted	Descriptions	Total Issued and Paid-Up Capital (RM)	New Shares Issued to a Shareholder	Cumulative Number of Shares Held by a Shareholder	Cost of Investment (RM)
12/1966	1,500,000	Issue of shares before listing	1,500,000	Nil	Nil	N/A
12/1966	1,500,000	Initial Public Offer	3,000,000	1,000	1,000	1,000
12/1975	6,000,000	- Bonus Issue of 2 for 1	9,000,000	2,000		Nil
	1,050,000	- Rights Issue of 35 for 100 @ RM1.00	10,050,000	350	3,350	350
	450,000	- Private Placement to Bumiputera Investors under New Economic Policy	10,500,000	Nil		N/A
12/1980	2,625,000	Bonus Issue of 1 for 4	13,125,000	838	4,188	Nil
12/1982	6,562,500	Bonus Issue of 1 for 2	19,687,500	2,094	6,282	Nil
3/1987	1,968,750	Bonus Issue of 1 for 10	21,656,250	628	6,910	Nil
3/1993	10,828,125	Bonus Issue of 1 for 2	32,484,375	3,455	10,365	Nil
3/1998	3,248,437	Bonus Issue of 1 for 10	35,732,812	1,037	11,402	Nil
3/2003	25,012,968	Bonus Issue of 7 for 10	60,745,780	7,982	19,384	Nil

As tabulated below, if a shareholder had bought 1,000 shares in the Company when it was listed in 1966, and assuming the shareholder had subscribed for rights issue of 350 shares in 1975 and did not sell any of the Company's shares till to-date, he would be holding a total of 19,384 shares (inclusive of 18,034 bonus shares) worth RM528,796 based on the market price of RM27.28 as at 03 June 2022. In addition, he would have received a total gross cash dividends of RM607,040 with a capital outlay of RM1,350 only. The dividends received/receivable and the appreciation in value translates to a remarkable compound annual growth rate of 13.5% on nominal value basis.

Initial Investment of a Shareholder

Initial capital outlay (1966)	RM	1,000
Rights issue subscription (1975)	RM	350
Total Capital Outlay	RM	1,350

Wealth of a Shareholder in Long Term

Initial investment (1966)	Unit	1,000
Rights issue shares subscribed (1975)	Unit	350
Total bonus shares received (1975 - 2003)	Unit	18,034
Total number of shares held	Unit	19,384
Closing market price per share (03 June 2022)	RM	27.28
Total value of shares held	RM	528,796
Cumulative gross cash dividends received/receivable (1969 - 2022)	RM	607,040
Total Wealth of a shareholder since Initial Investment	RM	1,135,836

SUSTAINABILITY REPORTING

ABOUT THIS REPORT

Scope of Reporting

The year 2022 marks the fifth dedicated Sustainability Report of Panasonic Manufacturing Malaysia Berhad (PMMA), encapsulating our sustainability efforts and performance. We aim to constantly make positive strides towards achieving our sustainability goals and managing sustainability topics which are material to our business.

Panasonic Holdings Corporation (formerly known as Panasonic Corporation) Management Philosophy's basic concept of the "company as a public entity of society" has formed the foundation of all our business activities. We are committed in upholding responsible management and sustainable development in our business activities. Our sustainability approach focuses on key material aspects of Economic, Environment and Social (EES). These aspects are influenced by the way we manage and operate our daily operation. Only through a conscientiously sustainable business we can identify the problem areas and minimise risks to create new opportunities that contribute to our business growth as well as safeguard the environment, society and locality we operate in.

With these aspirations in mind, we are proud to present to you, our esteemed and valued stakeholders, PMMA's Fifth Sustainability Report. This year our Sustainability Report covers the overall sustainability approach, on-going initiatives and the metrics of performance that measures the EES impact of our Company and its business practices. We aspire to continuously monitor, evaluate, and report our sustainability progress and performance which will be undertaken with cohesive collaboration amongst all our stakeholders.

Our Reporting Approach

This sustainability report was prepared with reference to the Sustainability Reporting framework and guidelines provided by the Global Reporting Initiative (GRI) Standards and in accordance with Bursa Malaysia Securities Berhad (Bursa Malaysia) Main Market Listing Requirements relating to Sustainability Statement in Annual Reports. The content of this report based on the reporting principles as defined by GRI Standards which includes:



The material references included in this report are as stated below:



Reporting Period

This report covers the overall sustainability performance and business progress of PMMA for the period starting from 1 April 2021 to 31 March 2022 (unless indicated otherwise). Sustainability remains a key pillar of our business strategy, hence we are determined to publish our sustainability key performance and progress annually through our sustainability report.

Scope and Boundaries

The scope of this report is within the business owned and operated by PMMA in Malaysia. We focus on the material issues identified through internal materiality assessment. The report illustrates in details our efforts to create value in areas that are relevant to the Company.

Sustainability across Supply Chain

As a way of upholding sustainable practices across its supply chain, PMMA embeds its sustainability strategies across its supply chain establishing symbiotic collaboration with external stakeholders, e.g. vendors.

SUSTAINABILITY REPORTING

(CONTINUED)


Sustainability Governance

PMMA operates in line with Panasonic Holdings Corporation policy and we are committed towards embracing sustainability practices. Our Board of Directors are responsible for implementing the sustainability strategy and its role in long-term sustainable development plan. The Board in partnership with the Strategic Management Committee are committed to oversee sustainability performance.

Feedback

For further details, you may contact:

 Email: ir.pmma@my.panasonic.com

 Telephone: +603 5891 5000



HIGHLIGHTS OF FINANCIAL YEAR ENDED 31 MARCH 2022

ECONOMIC



Revenue
Approximately
RM869 million



Distributed
RM132 million
on Employees Salary
and Benefits



Zero
Cases of Corruption



Total Dividend
RM99 million

ENVIRONMENTAL



ISO14001:2015
Certified for all
PMMA Plants



More than 35%
Reduction of CO₂
compared to 2005



Zero
Cases of Environmental
Non-Compliance



Total Energy Saving
3,209,987.71kWh
from solar panel

SOCIAL



ISO45001:2018
Certified for all
PMMA Plants



5%
Worker Representation
in the Health & Safety
Committee



0.42
Injury Rate*

* For further detail, kindly refer to page 32.

BOARD STATEMENT

PMMA as a pioneer and leading electrical appliances manufacturer is one of the key economic growth leaders for Malaysia which contributes to the nation's export earnings. We are humbled to be part of the nation's drive towards sustainable economic growth by cultivating local talent and incorporating them as part of the national supply chain. We are committed to align sustainability strategy in our business activities across all aspects of our operation. This is our fifth consecutive year of reporting PMMA's sustainability performance disclosures. It affirms our strong commitment towards the pursuit for long-term sustainable business growth and value for our stakeholders in term of sustainable living and advance technological innovation.

Malaysia entered the "Transition to Endemic" phase of COVID-19 from April 2022. Coming years will continue to be a challenging year for the Company. Malaysians return to near-normal life after almost two years battling the pandemic. The Company will continue to be vigilant by ensuring that all the COVID-19 Standard Operating Procedures (SOPs) are followed and complied with. With the high vaccination rate and easing of containment measures, the Company's operations have been stable and our business activities can be carried on as usual. To further strengthen its manufacturing capabilities, the Company will forge ahead its digitalization plans to adopt smart technologies such as the Internet of Things (IoT), automation and robotics for key processes of our manufacturing operations. With that, the Company's business competitiveness enhanced and we are ready to face any challenges ahead with agility and resilience. Moving forward, the Company continues its journey into Digital Transformation in Industry 4.0 with objective of transforming PMMA into a "Smart factory" by 2030.

This year's sustainability report was prepared as per Bursa Malaysia's Main Market Listing Requirements and in reference to the GRI Standards, as we continue to align our sustainability efforts with global standards. We hope to support both local and global sustainability agenda such as United Nations Sustainability Development Goals (SDGs). Our initiatives and plans are geared towards betterment of society and enriching the lives of all stakeholders.

As PMMA strives to embrace sustainability beyond compliance, we agree that disclosing our Economic, Environment and Social metrics will be impactful and meaningful to our shareholders and this is important for their decision-making. With this in mind, we have continuously engage with our stakeholders to identify their expectations and concerns on the EES material issues. PMMA have revisited relevant sustainability matters outlined last year as the material matter for this year reporting. We trust you will find this Sustainability Report informative, accurate, representing a fair and balanced view of our position and operation performance on identified sustainability material matters.

Thank You.

The Board









SUSTAINABILITY REPORTING

(CONTINUED)

STAKEHOLDER ENGAGEMENT

One of the most important process in our sustainability journey is engaging our stakeholders who are impacted or influenced by our business activities. It is crucial for us to develop sustainability strategies and identify material issues that are great importance to our stakeholders. Every year PMMA engages with our stakeholders through range of platforms to better understand their concerns or expectations on economic, environmental and social issues.

STAKEHOLDERS	MODE OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT	CONCERNS
Media 	<ul style="list-style-type: none"> Media events Advertising agent 	<ul style="list-style-type: none"> As needed As needed 	<ul style="list-style-type: none"> Mechanisms and policies in place to curb corruption Stable and strong procurement practices Adopt using recycled raw material for making products Carbon emissions management and evaluation Employee appreciation and benefits Employee engagement and satisfaction Foreign labour management Occupational health and safety management and policies Health and safety of products Data security protection
Investors 	<ul style="list-style-type: none"> Annual general meeting Briefing/meeting Extraordinary general meeting Electronic communication 	<ul style="list-style-type: none"> Annually 2 times a year As needed As needed 	
Suppliers 	<ul style="list-style-type: none"> Supplier audit Policy announcement Supplier Performance Evaluation Supplier Improvement Plan Presentation 	<ul style="list-style-type: none"> Annually Annually Monthly Monthly 	
Regulators 	<ul style="list-style-type: none"> Income tax filing Annual return SST reporting Electronic communication 	<ul style="list-style-type: none"> Annually Annually Bi-monthly As needed 	
Employees 	<ul style="list-style-type: none"> Monthly payroll Management meetings Staff appraisals Training and product knowledge briefing General Morning Assembly Employees Opinion Survey A Better Dialogue 	<ul style="list-style-type: none"> Monthly Bi-weekly Annually As needed Monthly Annually As needed 	
Local Communities 	<ul style="list-style-type: none"> Corporate Social Responsibility (CSR) programme 	<ul style="list-style-type: none"> As needed 	

The table above illustrates the list of stakeholders we engaged through different mode and frequency to identify key material disclosures. Due to COVID-19 pandemic, not all engagement were carried out as per the mode of engagement. However, PMMA kept connected with stakeholders throughout the year, whilst complying and maintaining SOP during this pandemic.

SUSTAINABILITY REPORTING

(CONTINUED)

Corporate Overview

Business Review

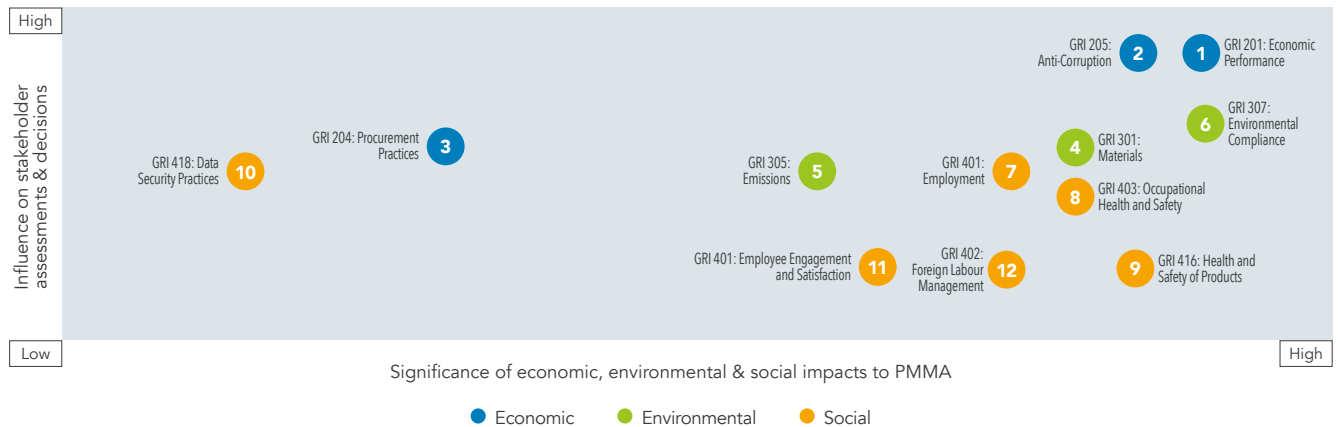
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MATERIALITY

We have engaged our stakeholders through various mediums and platforms. PMMA is continuously committed to promote sustainability management in our business activities. Thus, for this year reporting we have revisited relevant sustainability matters outlined last year and conducted review with our key internal stakeholders to understand their perspective on material matters to PMMA. The material issues that shape our strategies and business decision-making are not limited to Company's financial performance alone but also Economic, Environmental and Social impact. Through the review, we have identified 14 material aspects as high importance and those disclosures were derived into a matrix. This materiality matrix showcases the material disclosures based on its unique influence on the stakeholders and EES impact to PMMA. The materiality matrix was approved by the Board of Directors of PMMA and can be seen in the table below.



Material Topics

CATEGORY	#	MATERIAL TOPICS	GRI INDEX	MATERIAL DISCLOSURES
Economic	1	Economic Performance	GRI 201-1	Direct economic value generated and distributed
	2	Anti-Corruption	GRI 205-1	Communication and training about anti-corruption policies and procedures
	3	Procurement Practices	GRI 204-1	Proportion of spending on local suppliers
Environment	4	Materials	GRI 301-1	Materials used by weight or volume
	5	Emissions	GRI 305-5	Reduction of Greenhouse Gas (GHG) emission
	6	Environmental Compliance	GRI 307-1	Non-compliance with environmental laws and regulations
Social	7	Employment	GRI 401-1	New employee hires and employee turnover
			GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or particular employees
	8	Training and Education	GRI 404-1	Average hours of training per year per employee
			GRI 404 -2	Programs for upgrading employees' skills and transition assistance program
	9	Diversity and Equal Opportunity	GRI 405-1	Diversity of governance bodies and employees
	10	Occupational Health and Safety	GRI 403-1	Worker's representation in formal joint management-worker health and safety committees
			GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities
	11	Health and Safety of Products	GRI 416-1	Assessment of the health and safety impacts of product and service categories
	12	Data Security Practices	GRI 418	Data Privacy
	13	Employee Engagement and Satisfaction	GRI 401	Employment
	14	Foreign Labour Management	GRI 402	Labor/Management Relations

SUSTAINABILITY REPORTING

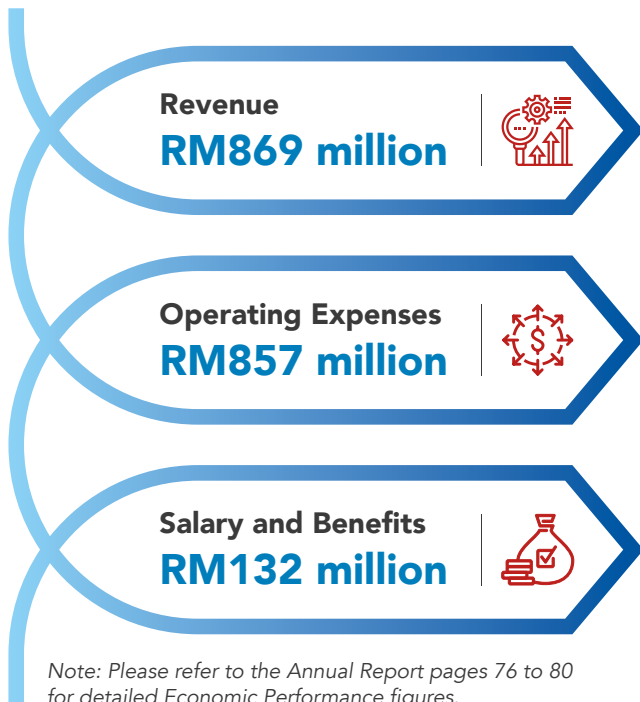
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ECONOMIC

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED: GRI 201-1

At PMMA, we strive to align our sustainability strategy in our daily business activities across all aspects of our operation, which we believe is the fundamental factor of our economic performance contribution in Malaysia even though for the current year, the economic performance of the Company has been affected by the prolonged effect of various lockdowns and the flood incident faced which has impacted our production operations.



ANTI-CORRUPTION: GRI 205-1

In order to adopt Panasonic Holdings Corporation management's philosophy of "contributing to the progress and development of society and the well-being of people worldwide through our business activities", Panasonic has established the Panasonic Code of Conduct which has a clear set of rules for compliance with the law and corporate ethics. PMMA operates based on the Code of Conduct. We strive to achieve thorough adherence to these rules, with the aim of promoting fair operating practices as a public entity and to realize a sustainable society.

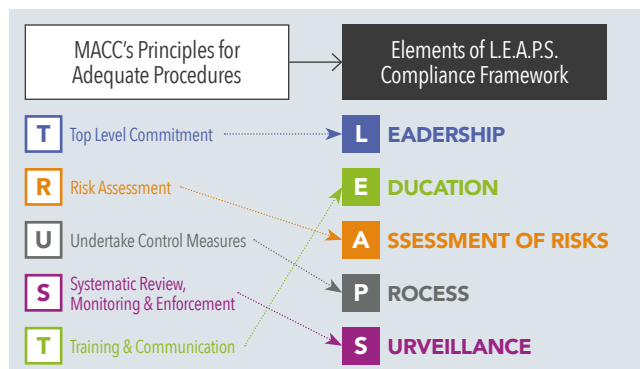
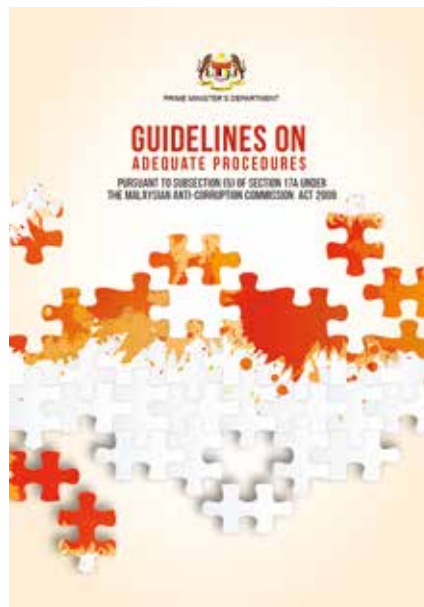
Since our business is dependent on our customers and other stakeholders, we conduct our business activities transparently to be accountable. We must continue to be fair and honest in our business dealing and swiftly respond to comply with our social responsibilities.

Panasonic Holdings Corporation has implemented the Clean Business Dealing Agreement (CBDA) in 2012 to prevent employees from engaging in bribery and unethical business dealings including engaging in activities where

there is a conflict of interest. All PMMA employees including temporary and foreign workers are required to sign an undertaking of CBDA annually.

PMMA strongly committed towards clean and fair business dealings, demonstrating our genuine effort to achieve our corporate vision in partnership with all our valued business partners. Hence, all business partners are required to sign CBDA as well before the engagement.

PMMA has fully adopted Panasonic's Anti-Bribery and Anti-Corruption Compliance framework Leadership, Education, Assessment of Risk, Processes and Surveillance (L.E.A.P.S) which is in line with the T.R.U.S.T. principles introduced by Malaysian Anti-Corruption Commission (MACC) Guideline on Adequate Procedures. Section 17A of MACC Act stated that Companies and their senior management will now be liable if an associated person of the company commits an act of bribery for business advantage. With L.E.A.P.S Compliance framework, we are confident that we have established a suitable defense to protect our Company and Senior Management from Corporate Liability offence and continuously enhance compliance program in PMMA.





Principle 1 – Leadership

As part of the Top Management's commitment towards promoting a culture of integrity within PMMA, the Company has assigned the Compliance team to be responsible for all anti-corruption matters. Management has established and provided employees with information and access to the latest Anti-Bribery Anti-Corruption ("ABAC") Rules and Policy information. Management communicates to employees about zero tolerance for bribery and corruption. Management provides a channel for employees to report actual or suspected wrongdoing without fear of retaliation.



Principle 2 – Education

PMMA communicates regularly the anti-corruption Policies and Procedures within the Company through various channels comprising among others, physical training, emails, etc. The Policies and Procedures are made available to employees and Stakeholders via Intranet and Company's Website. The communication within the Company in creating awareness on anti-corruption policies are further enhanced via e-learning and e-survey conducted by regional headquarter.



Principle 3 – Assessment of Risks

Corruption risk has been identified as one of the PMMA's key risk and incorporated as part of an Enterprise-Wide Risk Management ("ERM"). Corruption risk assessment shall be conducted annually and when there is a change in law or circumstance of the business. Risk Assessment exercise was conducted by external consultant in May 2021.



Principle 4 – Process and Control

PMMA has appropriate policies, adequate financial and nonfinancial controls and processes in place to address the risks of bribery and corruption. We have also established procedures for conducting due diligence on external parties during the decision-making process for sourcing, selection, engagement or renewal of supplier/customer and potential employment candidates prior entering into a formal relationship.



Principle 5 – Surveillance

PMMA Compliance Team is responsible for all compliance matters and carries out regular audit and reviews on compliance programme. Internal Control Review on Anti-Bribery and Anti-Corruption Corporate Liability was conducted in August 2021. The key controls and procedures for anti-bribery and anti-corruption ("ABAC") management are in place within PMMA. Quarterly Compliance Meetings involving the Senior Management are conducted to report and discuss compliance related matters. We also encourage all employees, business partners and stakeholders to raise any concerns of wrongdoing in a confidential and secured manner through the whistleblowing channels. It has been made available to our employees and stakeholders via PMMA intranet and website, respectively. Investigations are conducted for any incidents reported to determine the validity of the allegations and action will be taken if deemed necessary.

PMMA will continue to prohibit any form of corruption and heavily denounces any act of corruption or any act leading to misconduct of business. We will be sensitive to and shall abide by laws and regulations and social ethics that govern the offer of benefits of any kind, including gifts, meals and entertainment to gain unfair business advantage. In the same manner, we will not accept personal benefits from any of our stakeholders in return for unfair business advantage.

SUSTAINABILITY REPORTING

(CONTINUED)



Communication – Anti Corruption Policy Public Accessibility

Policies and procedures such as Whistleblowing Policy (including the reporting channel), Code of Conduct, APAC Region Anti-Bribery and Anti-Corruption Rules (Rules for Clean Business Dealings in Southeast Asia and Oceania) are published in the PMMA's intranet and website, which is accessible to all the employees and Stakeholders. Links from the website for the relevant Policies are as follows;

- Anti-bribery and corruption rules** - <http://pmma.panasonic.com.my/wpcontent/uploads/APAC-Regional-ABC-Rules-wef-1-August-2019.pdf>;
- Whistleblowing policy** - <http://pmma.panasonic.com.my/about-panasonic/aboutpmma/whistle-blowing-policy/>;
- Code of conduct** - <http://pmma.panasonic.com.my/wp-content/uploads/code-ofconduct.pdf>.

Whistleblowing Mechanism

PMMA established the Whistleblowing Policy and has a whistleblowing channel made available to the employee and stakeholders via its intranet and website.

- Whistleblowing Reports can be made on an anonymous basis
- Employees and Stakeholders can make Whistleblowing Reports through any of the following channels:
 - Letter - there are two (2) letter boxes placed at PMMA's premises, SA1 and SA2 respectively;
 - Online submission to Panasonic Global via <https://secure.ethicspoint.eu/domain/media/en/gui/104773/index.html>;
 - Electronic email to compliance_pmma@my.panasonic.com; and
 - Global Hotline to Panasonic Global at 1-800-81-8923. The "Global Hotline Poster" is available within PMMA's premises to raise employees' awareness.

Panasonic

Your Concerns
Matter
Let Us Hear
Your Voice

Make good use of the Global Hotline.

If you are aware of any compliance concerns, please contact the Hotline immediately. Panasonic will not tolerate any retaliation.

Panasonic Global Compliance Hotline

EARS
Ethical Action Real Solutions

EARS is open for 24 hours a day/365 days a year. You can give your name or report anonymously. All reports will be handled confidentially.

<http://panasonicapac.ethicspoint.com>



PMMA'S PROCUREMENT PRACTICE: GRI 204-1

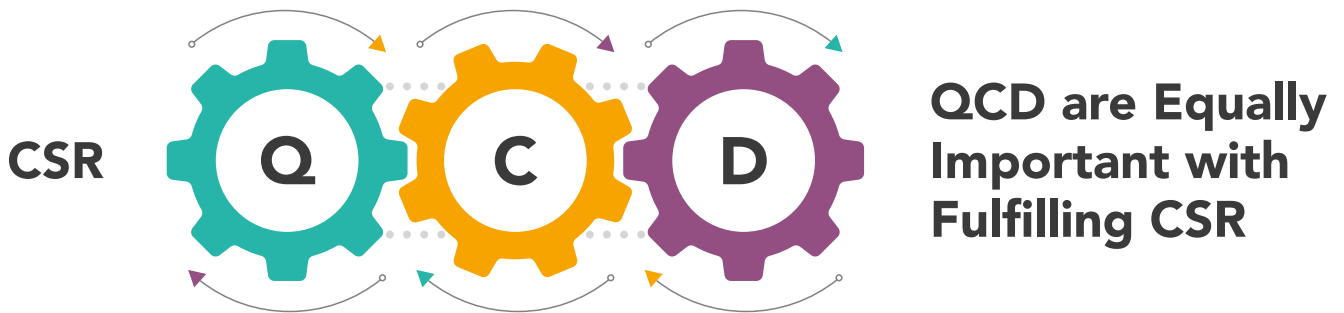
A stable and comprehensive procurement practices are an integral component of PMMA to fulfill our mission towards contributing to society through the best quality of products. This allows us to consistently deliver our products to our customers at a reasonable price regardless of the different markets we serve. We are committed to promote and ensure our procurement practices comply with requirements which may affect profitability, quality of deliverables, environment and Corporate Social Responsibility ('CSR'). Our Central Procurement Department is responsible to ensure we procure materials at the best cost scales without compromising our ability to conform with quality standards as well as applicable statutory environmental requirements.

Nowadays, with the global demand for social responsibility in procurement which includes consideration for the environment and human rights, satisfactory labor

conditions and fair trade, we are working to ensure that our business with suppliers will not only provide excellent technology and good quality materials but also honours their social responsibilities including clean procurement, green procurement, compliance, information security, human rights, labor, occupational health and safety.

Prior to engaging a new supplier, a systematic supplier assessment is conducted based on quality, delivery, cost, environment and CSR aspect. We carry out supplier training and regular supplier audit (Quality, Restriction of Hazardous Substances ['RoHS'] and CSR) continuously to increase awareness and strengthen the operation performance. We also conducted Annual Supplier evaluation from quality, cost, delivery and service (QCDS) aspects.

We actively engaged in supporting local suppliers in our procurement practices. Local suppliers constitute 80 % of our total suppliers. This year, we have developed another 2 new local suppliers.



Compliance

An enterprise that fails to practise CSR procurement will be neglected by society today

Clean Procurement

- Practicing ethical conduct and correct transactions

Green Procurement

- Resource conservation/recycling
- Elimination of prohibited substances

Compliance

- Compliance with laws and social rules
- Has been dealing with the TRADE COMPLIANCES

Information Security

- An absolute condition for joint development and participating in design

Human Rights, Labor, Safety/Hygiene

- Addressing the issues of conflict minerals

Become a CSR - conscious company

Trade with companies that practice CSR

SUSTAINABILITY REPORTING

(CONTINUED)

PMMA'S SUPPLIERS QUALITY IMPROVEMENT ACTIVITIES: GRI 204-1

Panasonic's corporate-wide Quality Policy states that the company will "truly serve customers by way of providing products and services that continuously meet and satisfy the needs of customers and society." In line with the policy, we actively strive to ensure the product safety while adhering to the "customer comes first" principles. Good product quality makes a trusted brand. Poor parts quality will lead to low quality products being delivered to market, tarnishing the brand image and losing customer trust. We extend our attention to supplier's quality and we spread Panasonic's quality approach among suppliers to improve the supplier's overall quality management and produce high quality parts.

This year, various joint improvements activities were carried out to ensure suppliers meet PMMA's product quality standards and requirements without fail. Previous year, due to COVID-19 pandemic, most of the activities were carried out on a virtual platform but we started to reactivate on-site activities for this year. We worked together with suppliers and provide continuous guidance through frequent audits and trainings to strengthen supplier's process control and to minimize defects.

Our Incoming Quality Control (IQC) team takes lead for continuous monitoring of supplier's improvement activities. Regular quality meeting, onsite or online audits and quarterly review meeting were implemented to verify the effectiveness of countermeasure taken and horizontally spread the relevant improvement ideas to suppliers in similar industry.

FY2022 PMMA supplier joint activities



Supplier audit focus on 5 areas as illustrated above.



Quality Meeting



On-site audit

SUSTAINABILITY REPORTING (CONTINUED)



ENVIRONMENTAL

RECYCLED MATERIAL: GRI 301-1

As “a public entity of society” and a pioneer electrical home appliances manufacturer in Malaysia, PMMA has been consistently strive to achieve a balance between profitability and environmental sustainability in the areas which we operate and committed to ensure full compliance with all applicable regulations and standards.

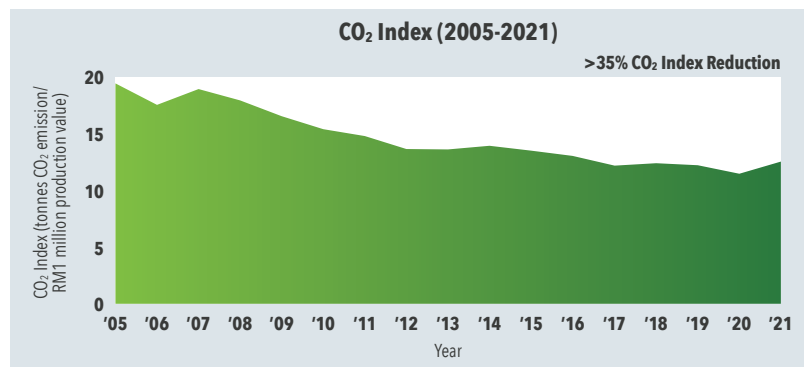
In line with Panasonic Green Plan 2018, our sustainability initiatives are to adopt resources recycling in our processes to preserve natural resources and to improve product costing through raw material cost reduction. We started using recycled Polybutylene Terephthalate (“PBT”) and Polypropylene (“PP”) resins for our selected Fan Products parts production namely electric fan and ceiling fan components since 2020. This year, we introduced recycled Acrylonitrile Butadiene Styrene (“ABS”) and (“PP”) resins for Vacuum Cleaner products components production. To ensure the usage of recycled raw materials does not affect our ability to deliver excellent quality products to our customer, PMMA's Quality Control Department works with Panasonic Appliances R&D Asia Pacific Sdn. Bhd. (PAPRADAP) will continuously monitor and confirm the recycled raw materials resins comply with material specifications and meet product quality standards. Regular supplier factory and ROHS audit conducted to ensure the supplier meet all relevant Panasonic regulations and standards requirements and there is no compromise on product quality or its performance at any time.

CARBON EMISSIONS: GRI 305-5

Panasonic commitment to reduce carbon emissions is conceptualised and guided by Panasonic Environment Vision 2050. This is a long-term vision formulated by Panasonic Holdings Corporation in 2017 with the aim to attain a sustainable and safe society with clean energy and more comfortable lifestyle. In year 2019, Panasonic announced Green Plan 2021 which focuses on the materiality in achieving the Panasonic Environment Vision 2050 and the efforts for an early realization of the plan. In line with this direction, PMMA is committed to reduce carbon emissions through various environmental initiatives.

Over the past 16 years, we have successfully reduced more than 35% of CO₂ index (tonnes CO₂ emission/RM1 million production value), from 20.05 in 2005 to 12.95 in 2021. As our continuous effort, we have collaborated

with Panasonic Life Solution to successfully installed solar panels at our existing SA2 plant building roof in July 2020. This reporting year, we have adopted Air Conditioning and Mechanical Ventilation (ACMV) System and Variable Refrigerant Flow (VRF) Air Conditioning Facilities in August 2021 for high energy efficiency and better environment at the SA2 new building. Our focus is to further increase the use of renewable energy as such to expand the solar panel installation at SA2 new building roof top in year 2022. Moving forward, we will continue to promote and adopt the best sustainability practices in energy and carbon reduction management to demonstrate our support towards realizing Panasonic Holdings Corporation inspiration in creating factories with zero CO₂ emissions.



ENVIRONMENTAL COMPLIANCE: GRI 307-1

At PMMA, we are vigilant and committed towards minimizing the impact of our operations to the environment. It is our constant endeavour to ensure PMMA's business complies with all applicable environmental laws and regulations in Malaysia through our established Environmental Policy. We have constituted PMMA Environmental Facilities Committee (EFC) which periodically reviews the environmental performance of the factories and appointed the Environment Management Department Team Leader as the company's Environment Management Representative (EMR) to ensure all environmental-related requirements are complied with. In addition, EMR is responsible for preparing and submitting PMMA's monthly environmental performance reports to Panasonic Holdings Corporation.

Both of our manufacturing factories SAI and SA2 in Shah Alam have received ISO 14001:2015 Environmental Management System (EMS) certification due to our commitment towards promoting environmental stewardship within our business. This certification is the testament of our efforts in complying with the environmental requirements and conserving the environment.

We manage our compliance in environmental laws, regulations, standards and other requirements through continuous internal and external audits. This reporting year, with zero case of environmental non-compliance, we did not receive any significant fines or sanctions for non-compliance with environmental legislation across the reporting regulations and requirements.



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(CONTINUED)



EMPLOYMENT: GRI 401-1, GRI 401-2

When recruiting employees, Panasonic adopts a perspective of protecting fundamental human rights and engages in recruitment activities that comply with employment laws and regulations of the respective countries in which we operate. As a labor-oriented organization, workforce is a crucial asset for our business performance. It is essential for us to provide a fair working environment for every employee and continuously developing human resources that can actively participate in our global business environment.

Permanent Employee Statistics for Financial Year Ended 31 March 2022[^]

In total, 88.2% of PMMA's **new permanent non-executive employees** account for those under the age of 30. Our new permanent non-executive employees are mainly male due to the nature of our manufacturing operation, whereby percentage for male is higher with 70.6%. As for the new **permanent executives** 88.9% hired were also from the age of under 30 group and new male hired was 55.6%. Overall, PMMA saw an average turnover rate of 6.6% for **permanent non-executive employees** and 17.3% for **permanent executive employees** during the reporting year[^].



Rate of new employee hire at end of March 2022

RATE OF NEW EMPLOYEE HIRES BY AGE	MALE	FEMALE	TOTAL
Under 30 years old	4	4	8 (88.9 %)
30-50 years old	1	0	1
Over 50 years old	0	0	0
Total	5 (55.6%)	4	9

Rate of employee turnover at end of March 2022

RATE OF NEW TURNOVER HIRES BY AGE	MALE	FEMALE	TOTAL
Under 30 years old	11	6	17
30-50 years old	12	8	20
Over 50 years old	4	0	0
Total	27	14	41 (17.3%)

Non-Executive Employee

Total
986

Rate of new employee hire at end of March 2022

RATE OF NEW EMPLOYEE HIRES BY AGE	MALE	FEMALE	TOTAL
Under 30 years old	45	15	60 (88.2%)
30-50 years old	3	5	8 (11.8%)
Over 50 years old	0	0	0
Total	48 (70.6%)	20	68

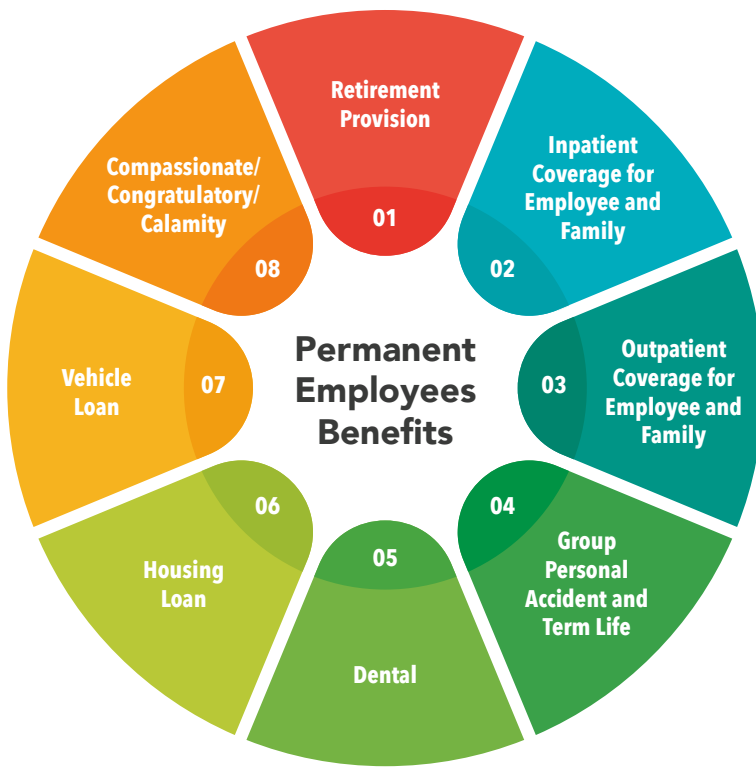
Rate of employee turnover at end of March 2022

RATE OF NEW TURNOVER HIRES BY AGE	MALE	FEMALE	TOTAL
Under 30 years old	21	5	26
30-50 years old	16	6	22
Over 50 years old	15	2	17
Total	52	13	65 (6.6%)

[^] The employee statistics does not include PMMA's temporary, outsource and foreign employees at PMMA during the reporting year.

Permanent Employee Benefit

PMMA recognize the importance of our employee's welfare and we aim to provide the employees with better working environment. Hence, PMMA works to meet and surpass all legal requirements regarding benefits, including offering life insurance, healthcare checks, disability and invalidity coverage, housing loans, retirement provision and more. PMMA continuously undertake audits to check adherence to all our systems and procedures and further enhance our accountability and responsibility in relation to employment. For this reporting year, we comply with all relevant Employment Laws and Regulation. The following are the benefits we provide to our permanent employees.



Permanent non-executive employees' benefits are governed by the Collective Agreement whilst the benefits for permanent executive employees are governed by the Terms and Conditions of Employment for Management Staff. Both have almost identical list of benefits with differences in quantum of entitlement. PMMA through its CSR program has also reached out to employees who were affected by the floods in December 2021 by providing both financial and non-financial support. The Company is deeply concerned for the well-being of the employees and contributed the home appliance products to ease their burden.

EMPLOYEE ENGAGEMENT AND SATISFACTION: GRI 401

At Panasonic, we believe that people is the driving force behind our competitive power. As such, we aim to be a Company where diverse human resources use the talents to the fullest extent in way that is worthwhile. To achieve this, it is essential to start with a culture that values and leverages diversity, increases individual the willingness of individual employees towards challenges and continues to build together as an organization. Putting this belief into action, we conducted a survey of employees' opinions.

PMMA participates in the Panasonic **Employee Opinion Survey (EOS)** which is conducted annually. This survey is funded by Panasonic Holdings Corporation and handled by an independent consulting firm partnering with Panasonic; therefore, all replies are obtained anonymously. The purpose of this survey is to understand the state, needs and issues of our employees and find opportunities to create more value for them working at Panasonic. Through the survey, we gradually develop improvement measures to be integrated into future plans for the betterment of company and employees benefits as well, ensuring the entire organization grows together. Our permanent

employees are able to express their opinion on a set of questions relating to common themes of 15 selected dimensions on what needs to be done to make Panasonic the company of choice to work for.

This year, the survey was conducted in December 2021 and the result of the three most favorable scoring themes which our employees feel most positive are as tabled below:-

EOS result for financial year ended 31 March 2021

Top Dimensions		
1	Clear & Promising Direction	FAV 85%
2	Quality & Customer Focus	FAV 85%
3	Employee Enablement	FAV 80%

EOS result for financial year ended 31 March 2022

Top Dimensions		
1	Quality & Customer Focus	FAV 84%
2	Employee Enablement	FAV 78%
3	Clear & Promising Direction	FAV 75%

The three most favorable scoring themes remained as per previous year; which was Quality & Customer Focus, Employee Enablement and Clear & Promising Direction. As previous years the EOS results will be shared by respective Group Managers with their team and continuously plan actions to mitigate/ strengthen the issues through collective wisdom. However, due to the current economic condition of the Company notwithstanding the headwinds faced, the EOS result for this financial year have shown a decline in its overall ratings.

SUSTAINABILITY REPORTING

(CONTINUED)

A BETTER DIALOGUE: GRI 401

To continue contributing and responding in a rapidly changing world, the strength of each employee is vital. We need to become a company that encourages each employee to challenge themselves and grow in their own way. Panasonic approach is by implementing A Better Dialogue based on our Basic Business Philosophy for creation of the new value. This will increase the quality and quantity of the employee-manager dialogue, thus improving both employee's and the Company's performance.

This year, we continued with the face-to-face dialogue between Group Manager and their team members (Management Staffs). It is a free and open discussion focusing on where the employee wants to be in future as well as the employee's contribution and performance towards company's growth. Managers continue to provide appropriate support for each employee as they grow and take on new challenges.

FOREIGN LABOUR MANAGEMENT: GRI 402

The Panasonic Code of Conduct expressly states that "we must respect human rights and do our best to understand, acknowledge, and respect the diverse cultures, religions, mind-sets, laws, and regulations of people in the different countries and regions where we conduct business". In fiscal year 2016, the Panasonic Holdings Corporation complemented the Code of Conduct by setting its Global Human Rights and Labour Policies to provide detailed provisions on respect for human rights.

PMMA has adopted the Panasonic Group of Companies in Malaysia Policy on the Responsible Recruitment and Employment of Foreign Migrant Workers which is a mandatory policy to ensure compliance with the Malaysia Policy on Responsible Recruitment and Management of Migrant Workers and Malaysian law when recruiting the foreign migrant workers. Panasonic Group Companies in Malaysia adopted the Policy in Malaysia as an intermediate step in achieving the Panasonic Global Human Rights and Labor Policies. By implementing the Policy, Panasonic Group Companies in Malaysia have agreed to closely align their approaches and to work together as one group.

PMMA has consented not to charge nor allow Recruitment Agencies to charge foreign migrant workers any recruitment fees or costs related to their employment. Upon selection, all foreign migrant workers shall be provided with the standard template employment contract of Panasonic Group Companies in English and translated into the workers' native languages. All foreign workers has been clearly briefed for their rights on the voluntarily termination policy before the end of contract. There will be no penalty or any salary deduction. In compliance with Malaysian law, PMMA will not hold any of foreign workers personal documents. Wages paid complied with all applicable local wage laws, including laws relating to minimum wages, overtime allowances, and any fringe benefits required by law and/or contract. We have provided a workplace that is free of any form of harsh, abusive, or inhumane treatment. Foreign workers are free to join any association of union. We have provided safe, adequate and decent accommodations for foreign workers. We work closely with our Hostel Management to ensure the accommodations are well maintained.

This year, PMMA has taken several initiatives to reduce the number of foreign workers by terminating contracts for problematic workers, review the disciplinary records (poor attendance, poor performance, etc.) and arrange for immediate repatriation of foreign workers who found unsuitable during FOMEMA medical checkup, in accordance with Malaysia Immigration law.

TRAINING AND EDUCATION: GRI 404

We believed that learning is an important foundation of corporate culture in order to inspire value creation. In line with "Make people before making products" concept, Panasonic has developed various learning programs globally, while planning and delivering training for real-world needs, including developing individualized training to suit specific business needs. PMMA acknowledges the importance to develop employees to meet both their career goals and Company goals. We are committed to develop all our employees through training and equip them with appropriate skills to enhance their ability in confronting business challenges. We conduct On- the- job training (OJT) for all production staffs including foreign workers by in-house trainers. We continuously provide technical and management training programme based on each employee training needs. As an organization that expands through consistent learning and adaption, we design various career development programmes to encourage our employees to grow together with the Company.

This year, PMMA have achieved 9,355 hours of total employees training hours (target of 7,200 hours) whereby average training hours per employee is 4.9 hours. The list below provides the examples of technical and management training programs undertaken by employees in financial year ended 31 March 2022.

Technical and Management Training Programmes

- (a) **Panasonic Global E Learning Platform**
- Global Common Core Knowledge (GCCCK)
 - Product Analysis Centre
- (b) **General Training**
- Basic Management Philosophy/ Compliance/ISM
 - ISO Training
 - Occupational, Safety, Health & Environment
 - Soft skill and personal development
- (c) **Management & Executive Development**
- Functional training (Human Resource, Information Technology, Sales, Finance, Procurement and etc)
 - Digital Marketing & Microsoft Office
- (d) **Technical Training**
- Manufacturing Innovation (A Next)/IR 4.0/ Robotics
 - Panasonic Technical College (Long Term Japan Training)
 - Engineering/Manufacturing Engineering
 - Quality Management
- (e) **High Potential Training**
- Strategic Global Manager Programme (SGMP)
 - Accelerated Management Development Programme (AMDP)
 - Executive Development Seminar (EDS)

Our success lies in each and every one of our employees. Thus, we strive to attract, train and retain the right talents in the right position. This was attained through talent development and provision of fair and safe working environment in the Company.

Moving forward, we aspire to develop the next generation of Panasonic leaders through the structured global talent management framework. The Executive Development Training, through specially designed customized programs that prod, inspire, motivate and enlighten executive candidates with fresh ideas, innovative thinking, mindset changes and of the rapidly changing environment will develop the next generation of Panasonic leaders. With exposure to deeper insights in business strategy and trends, candidates develop strategic and critical thinking skills through traditional and action learning, interactions and discussions with academics from top class universities and professional expert trainers with deep industrial experience, as well as peer learning through project work, sharing and discussions with like-minded colleagues from diverse backgrounds across Panasonic Group.

DIVERSITY AND EQUAL OPPORTUNITY: GRI 405

To deliver products and services that contribute to society and our customers around the world while growing Panasonic's business, it is essential for us to keep developing human resources that can actively participate to our global business environment. It is also essential that the company creates an organization and culture where diverse people can fully utilize their talents irrespective of gender, age, or nationality. Thus, we regard the promotion of human resource development, diversity and inclusion as a crucial part of our business strategy, provide a broad range of opportunities for anyone with ability and ambition, and actively strive to create an environment where work feels meaningful.

Percentage of female employee and diversity by age

SUBJECT	FINANCIAL YEAR ENDED 31 MARCH 2021	FINANCIAL YEAR ENDED 31 MARCH 2022
Total permanent employees	1,480	1,979
i. Diversity by gender		
• Female employee	32%	32%
• Female in Managerial Position	32%	27%
ii. Diversity by age		
• Under 30	39%	46%
• 30-50	44%	42%
• Over 50	17%	12%

OCCUPATIONAL SAFETY AND HEALTH: GRI 403-1, GRI 403-2

PMMA acknowledges the importance of employees' welfare in terms of health and safety. We aim to provide a safe and conducive working environment and equip all employees with the requisite skills to enhance their ability in confronting various business challenges. We believe that Occupational Safety and Health (OSH) is an important part of our risk management process to prevent injury and health hazards in all work environments. We emphasize OSH as an integral tool to improve our productivity and employee morale while complying with relevant legal and other requirements.

PMMA has its own localized OSH Policy that details our strong commitment to occupational safety and health matters. This policy is supported with detailed SOPs for activities in our manufacturing plants, laying a solid foundation for our OSH governance framework. In addition to our own SOPs, we have also adopted stringent control SOPs from Panasonic Holdings Corporation's OSH Activity Guideline for some of our critical activities. Our OSH Management System that has been established since the year 2013 has further enhanced our efforts in sustaining the policy and SOPs. In line with our OSH policy, various key initiatives have been made compulsory in PMMA's day-to-day operation namely safety inspection of new machines, daily OSH procedures and safety trainings.

SUSTAINABILITY REPORTING

(CONTINUED)

Our Safety and Health Committee comprises employee representatives from all levels as per the legal requirement including top management, executives and on-the-ground workers. The joint management-worker Safety and Health Committee consists of approximately 5% representative from on-the-ground workers. The Committee is led by our Managing Director, who is responsible for driving the discussion on OSH management systems and evaluation. We conduct quarterly review meeting with Managing Director. The Committee is responsible to investigate and discuss on hazard prevention measures, root causes of occupational accidents and diseases, measures for recurrence prevention, prevention measures for employees' health issues, as well as employee health maintenance and promotion measures. Internal/external feedback or complain mechanism has been established and all feedbacks will be reviewed by the management representative and reported to the top management. Any feedback or complains will be investigated and if required, action will be taken accordingly within 14 days period. The Committee collaborate with Human Resources Department in organising programs related to OSH that includes internal and external training. Adequate annual budget was allocated accordingly for OSH training and developments.

To continuously strengthen our processes, we have annual internal and external audits on OSH practices. We are also subject to cross reference audits at group level locally and from Business Division in Japan. We are fully committed to continuously promote OSH practices within our business. As a result, we have been certified with ISO 45001:2018 Occupational Health and Safety Management since January 2020. This certification is the testament of our efforts in complying with relevant legal requirement and creating safe working environment. Through a structured management system, PMMA aspires to instill better awareness of hazards and reduced risk, improve health and safety in the workplace and aim for zero rate of injury in the coming years.

TOTAL NUMBER OF LOST WORKDAYS DUE TO REPORTED INJURIES & OCCUPATIONAL DISEASES	TOTAL NUMBER OF INJURY CASES	INJURY RATE
49	8	0.42

Note: The above is based on 3,814,474 hours worked.

The total number of lost workdays refers to the total number of days where workers are unable to perform their usual work because of occupational disease/accident/injury (which in this case does not include MC, hospitalisation leaves due to other causes).

The injury rate refers to the total number of injury cases x 200,000/the total number of hours worked in a year (The factor of 200,000 results from 50 working weeks for 40 working hours per 100 employees. The rate obtained using this formula relates to the number of employees and not number of hours).



Occupational Safety and Health Activities



First Aid Training



Annual Audiometric Test



Chemical Exposure Monitoring



Medical Surveillance



Hearing Conversation Training



Hazard Identification, Risk Assessment & Determining Control (HIRADC) Review Meeting

SUSTAINABILITY REPORTING

(CONTINUED)

Corporate Overview

Business Review

Governance

Financial Statements

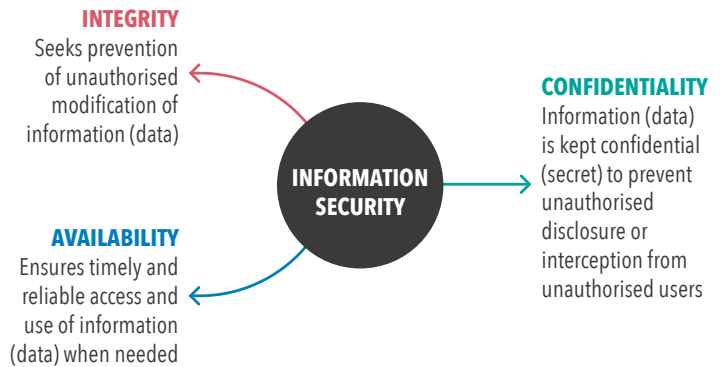
Additional Information

ENSURING HEALTH AND SAFETY OF OUR PRODUCTS: GRI 416-1

The health and safety standards of our products is PMMA's utmost priority in upholding the trust that we have built with our customers over the years and ensure products delivered to market are safe for usage throughout product life. We are fully committed to 'Zero Product Safety Claims' (in terms of consumer and property damage) from the market we are currently selling. PMMA adheres to the Panasonic Holdings Corporation Safety Standard in addition to Public/Government Authority requirements assuring products developed and marketed are safe thus limiting extent of liability claims. During Products Design and Development stage, all new models go through stringent construction and performance check from safety aspect and check results reported to Top Management. Food sanitation test, for example, are compulsory for parts' in-contact with food to assure no health hazard arising from the materials used in our products. As for products safety issues in the market, we have adopted 'Bad News First' culture whereby immediate reporting to Managing Director for quick information gathering and decision-making for next course of action. In addition, various internal and external (SIRIM and respective country's authorized certification body) audits are conducted to further examine the effectiveness of PMMA's processes and procedures in safeguarding health and safety of our products. This reporting year, zero health and safety claims occurred for our current products as well as new products launched in market.

PMMA'S INFORMATION SECURITY MANAGEMENT (ISM) SYSTEM: GRI 418

PMMA's Information Security Management (ISM) System consists of three main elements, Integrity, Availability and Confidentiality. We are committed to safeguard these elements of the Company's Confidential Information against internal and external treats or risks. Through such efforts, information security will heighten public confidence and further enhance our corporate value to sustain the growth of the company. PMMA strive to incorporate Information Security Management into all business function. It is highly vital to ensure no data leaks or data tempering. PMMA are committed to adequately manage and protect the information security through the implementation of organizational, technological, and physical security management policies.



In this digital transformation age, cyber security is the core emphasis of PMMA's operations. A successful cyber-attack can cause major damage to our business. To avoid cyber threats, we need to manage cyber risk diligently. We categorized cyber risk into three categories: people, network, and system. Several potential issues within each category alongside with mitigating actions were identified to ensure effective information security management.

	PEOPLE	NETWORK	SYSTEM
Issues	<ol style="list-style-type: none"> 1. Insufficient awareness from employee 2. Unable to judge malicious email 	<ol style="list-style-type: none"> 1. Insufficient control of unauthorised access 2. Insufficient protection of factory production system 	<ol style="list-style-type: none"> 1. Insufficient protection of local servers 2. Lack of professional skills at each company
Actions	<ol style="list-style-type: none"> 1. Cyber Security Education 2. Endpoint Security - device hardening 	<ol style="list-style-type: none"> 1. Strengthen network security design 2. Implement network monitoring to detect cyber attack 	<ol style="list-style-type: none"> 1. Ensure Business Cyber Security Plan (BCP) 2. Enhance server security management

In addition, to ensure continuous compliance with the Information Security Management System ISO27001:2013, PMMA provides well planned education and training to all employees to boost the level of knowledge and awareness, thus enable them to handle information properly. This year, we have conducted AP Domain ISM Educational Program and completed ISM e-test for our employees.

IT Security Enhancement activities successfully implemented during the reporting year include:

- PC Tracking Log Management (PCTM) for selected Department to avoid important information leakage (Prevention of security breaches by employees with access rights)
- Company Wide Factory Network Security Firewall fully implemented
- Endpoint Security Enhancement (EDR) for all Work From Home Remote Work PC.
- Conducted Advanced Persistent Threat (APT) Email Attack Drill Exercise for selected

For this reporting year, Zero ISM incidents occurred in PMMA.

SUSTAINABILITY REPORTING

(CONTINUED)

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SUSTAINABILITY REPORTING

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FIVE-YEAR FINANCIAL SUMMARY

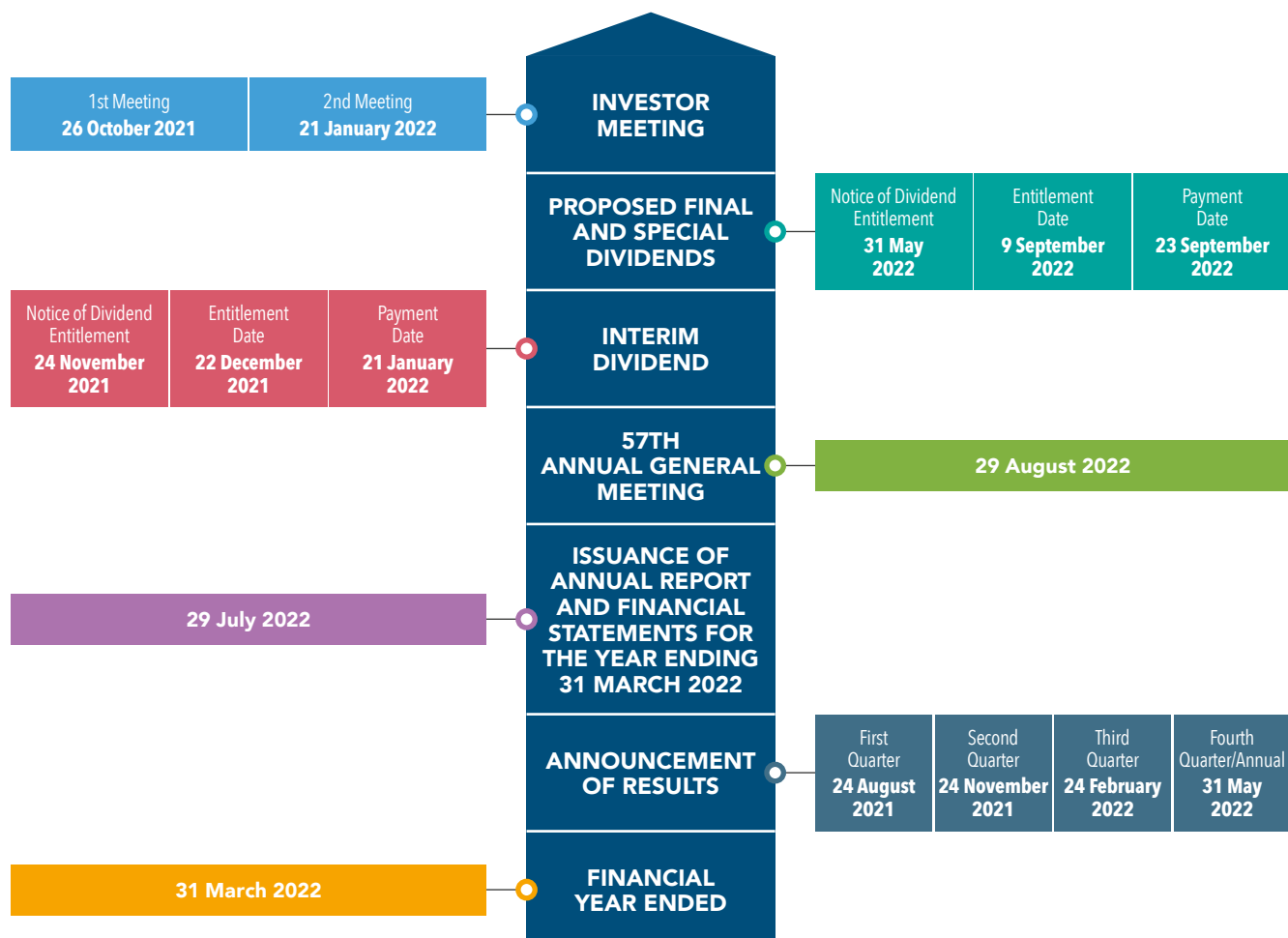
FINANCIAL YEAR ENDED 31 MARCH		2018	2019	2020	2021	2022
Financial Data						
Revenue	RM'000	1,199,120	1,127,886	1,051,980	974,558	868,776
Profit before taxation	RM'000	166,312	131,310	141,227	135,151	53,037
Profit after taxation	RM'000	131,025	105,752	116,989	116,454	51,511
Gross dividends paid/proposed	RM'000	150,650	137,286	120,277	99,016	50,419
Net dividends paid/proposed	RM'000	150,650	137,286	120,277	99,016	50,419
Total assets	RM'000	1,071,194	1,009,729	976,742	972,580	917,782
Share capital	RM'000	60,746	60,746	60,746	60,746	60,746
Shareholders' funds	RM'000	881,736	836,838	816,541	812,718	765,213
Financial Ratios						
Return on shareholders' funds	%	14.9	12.6	14.3	14.3	6.7
Earnings per share	sen	216	174	193	192	85
Net assets per share	RM	14.52	13.78	13.44	13.38	12.60
Dividend rate (gross)	%	248	226	198	163	83



FINANCIAL HIGHLIGHTS

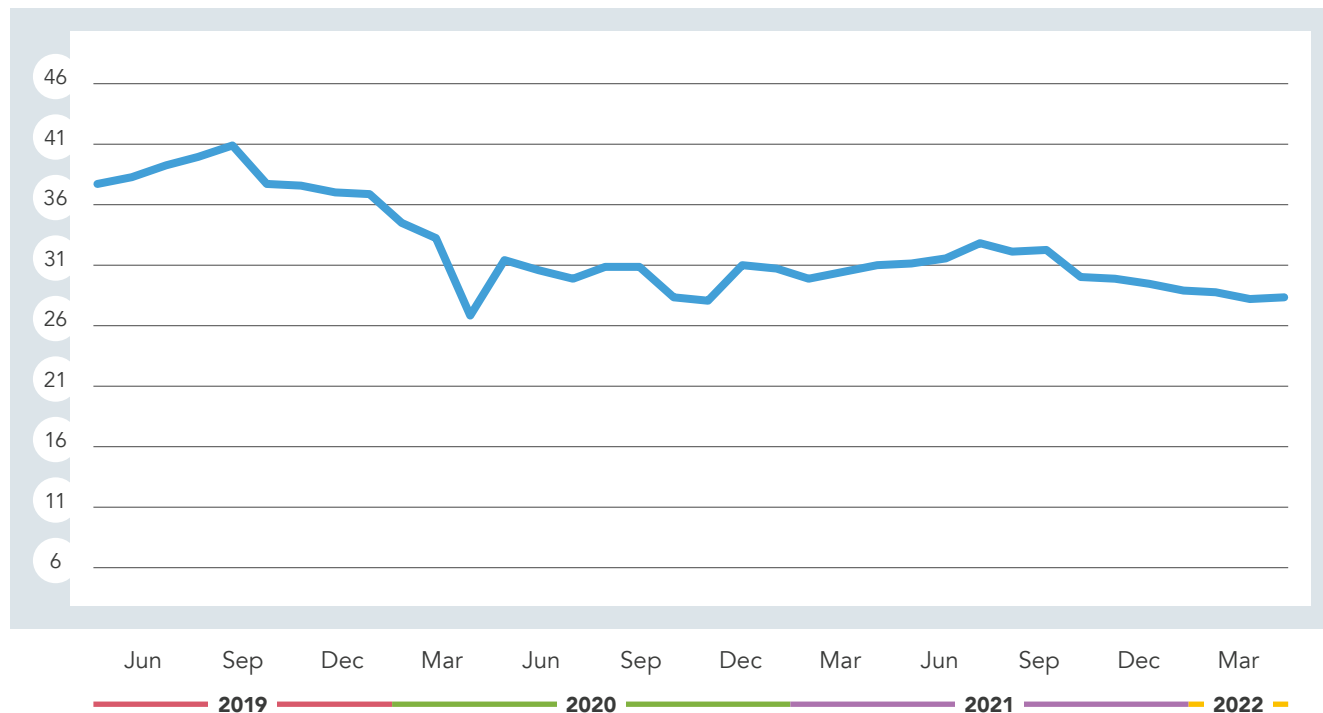
FINANCIAL DATA		YEAR ENDED 31 MARCH 2022	YEAR ENDED 31 MARCH 2021
Revenue	RM'000	868,776	974,558
Profit before taxation	RM'000	53,037	135,151
Profit after taxation	RM'000	51,511	116,454
Percentage of revenue	%	5.9	11.9
Return on shareholders' funds	%	6.7	14.3
Earnings per share	sen	85	192
Dividend rate	%	83	163
Shareholders' funds	RM'000	765,213	812,718
Net assets per share	RM	12.60	13.38
Total assets	RM'000	917,782	972,580
Capital expenditure	RM'000	34,617	42,652

FINANCIAL CALENDAR



SHARE PERFORMANCE

CLOSING SHARE PRICE (RM)



	2021												2022
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
Highest (RM)	31.70	31.60	33.40	32.98	32.80	32.70	30.30	30.26	29.70	29.80	28.88	28.78	
Lowest (RM)	31.00	31.00	32.00	32.00	32.14	30.00	29.88	29.50	28.90	28.80	28.26	27.30	
Closing Share Price (RM)	31.14	31.60	32.88	32.22	32.26	30.02	30.00	29.50	28.90	28.88	28.30	28.40	
Lots Traded (100 shares)	822	533	3,266	866	1,854	2,588	1,631	922	878	745	1,249	933	

	2020												2021
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
Highest (RM)	32.68	31.98	31.70	32.00	31.80	31.74	28.88	31.20	32.30	30.80	30.58	31.36	
Lowest (RM)	25.80	30.30	28.50	30.00	30.50	27.88	28.04	28.00	30.50	29.40	29.84	30.28	
Closing Share Price (RM)	31.50	30.62	30.00	30.90	30.90	28.42	28.12	31.06	30.80	30.00	30.56	31.00	
Lots Traded (100 shares)	3,261	1,198	4,542	8,683	4,438	6,961	1,708	2,092	2,216	1,815	2,515	1,208	

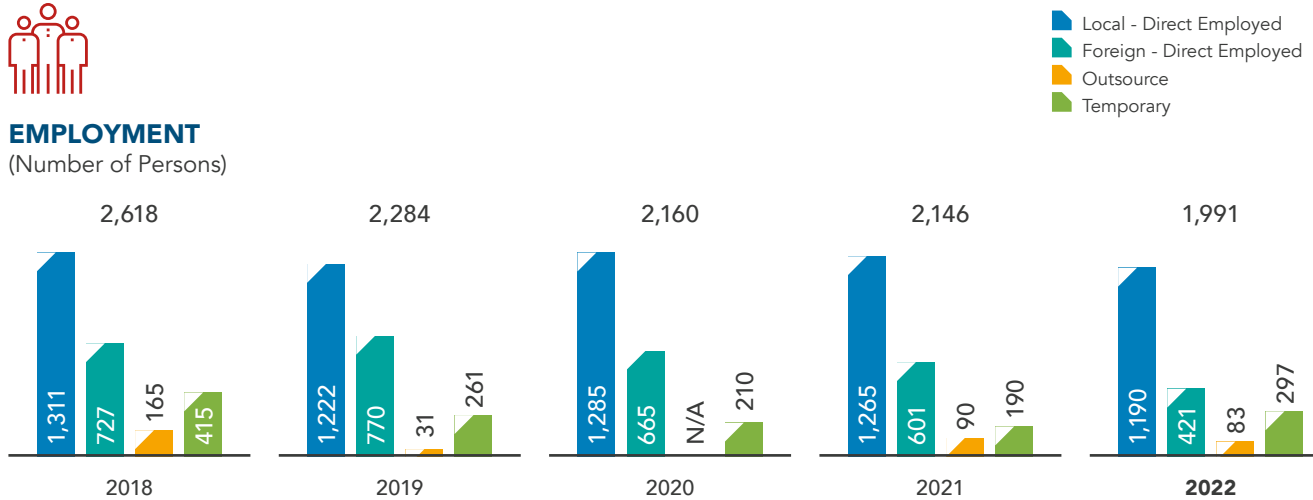
	2019												2020
	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	
Highest (RM)	38.30	38.80	39.90	40.60	41.02	41.20	38.20	38.10	39.92	37.00	34.60	33.00	
Lowest (RM)	37.20	37.52	38.00	39.34	39.54	37.50	37.42	37.00	36.80	34.52	30.74	22.82	
Closing Share Price (RM)	37.82	38.32	39.40	40.00	40.98	37.80	37.68	37.08	37.00	34.60	33.36	26.88	
Lots Traded (100 shares)	1,578	705	2,505	2,608	1,350	6,166	4,580	1,514	7,207	6,911	3,207	6,025	

FIVE-YEAR TREND



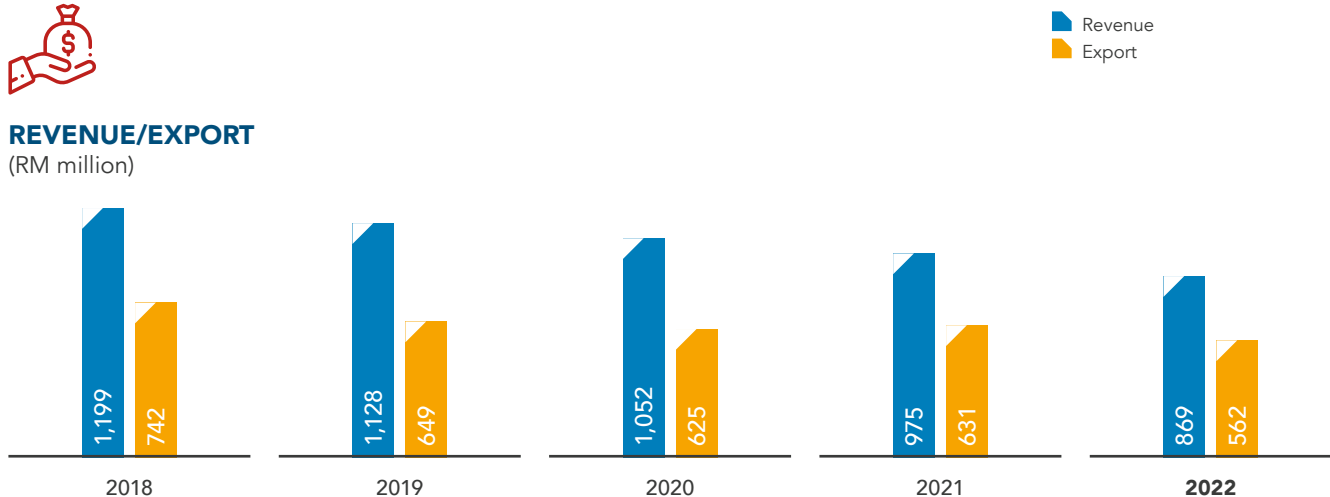
EMPLOYMENT

(Number of Persons)



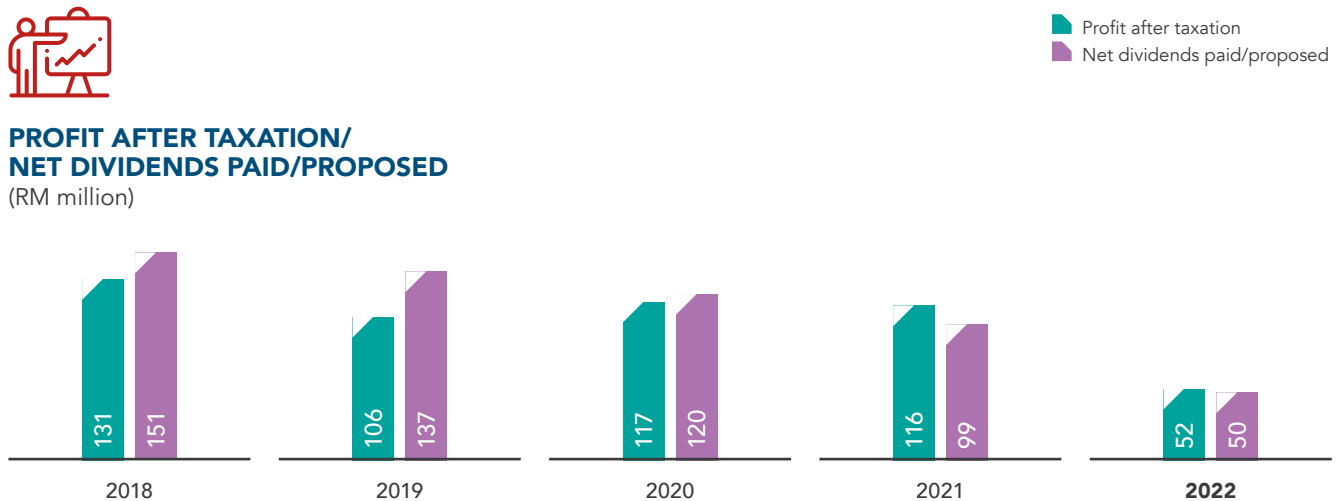
REVENUE/EXPORT

(RM million)



PROFIT AFTER TAXATION/ NET DIVIDENDS PAID/PROPOSED

(RM million)



FIVE-YEAR TREND

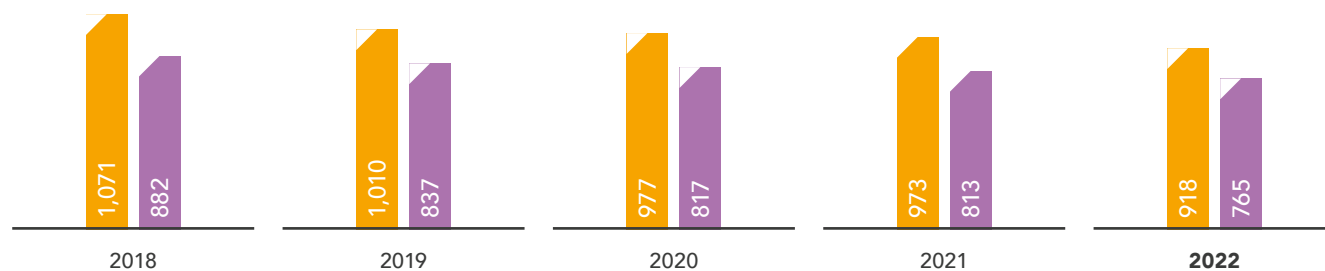
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■ Total assets
■ Shareholdings funds

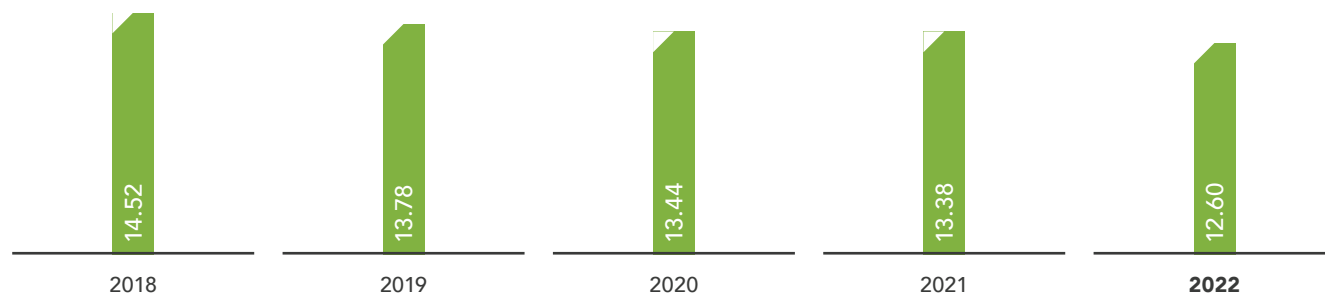
TOTAL ASSETS/ SHAREHOLDINGS FUNDS

(RM million)



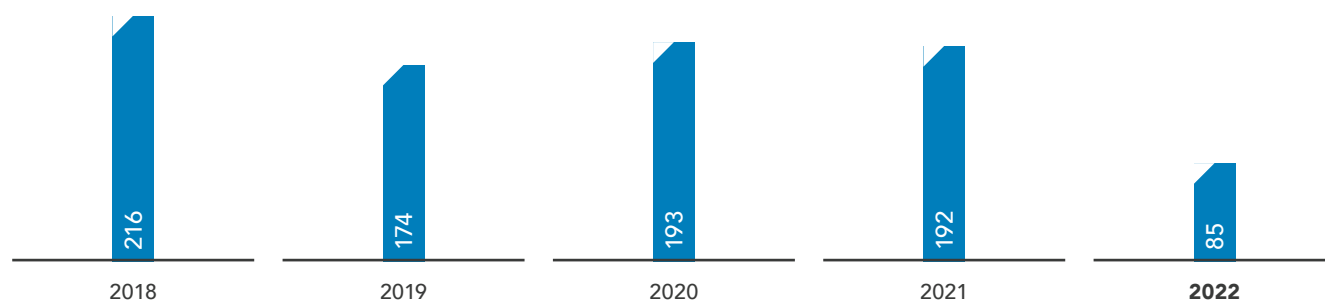
NET ASSETS PER SHARE

(RM)



EARNINGS PER SHARE

(sen)



BOARD OF DIRECTORS' PROFILE

DATO' AZMAN BIN MAHMUD

Chairman, Independent Non-Executive Director



Age
61

Gender
Male

Date of Appointment
15 April 2021

Dato' Azman was appointed an Independent Non-Executive Director on 15 April 2021. He graduated with a Bachelor's Degree in Engineering from University Putra Malaysia. He has also attended several Leadership Development programmes conducted by Harvard Business School, Harvard Kennedy School, INSEAD France, General Electric Management, Research and Development, Crotonville New York and the Temasek Foundation International Asia Leader's Connect Singapore.

Dato' Azman was the former Chief Executive Officer ("CEO") of the Malaysian Investment Development Authority ("MIDA") having served in various positions across many divisions within MIDA since year 1989 until his retirement on 1 April 2021. During his tenure with MIDA, he also served in overseas posting. As CEO of MIDA, he led MIDA in driving the investment agenda of Malaysia to achieve national investment targets from 2014 till March 2021. He also led the transformation of MIDA towards a world-class Investment Promotion Agency.

Dato' Azman was appointed as the Chairman of the Export-Import Bank of Malaysia Berhad (EXIM Bank) effective from 1 October 2021. Besides the Chairmanship

of EXIM Bank, he also chairs the Board of Directors for the following organisations: Privasia Technology Bhd, SME Aerospace (SMEA) Sdn Bhd and UPM Holdings Sdn Bhd. He also holds various other Board positions in GDEX Bhd and Kulim Technology Park Corp, in addition to being a member of a number of organisations related to the development of businesses and investments, such as Invest Sabah Bhd and Penjana Kapital.

Dato' Azman has no shareholdings in the Company and its associated company. He also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He attended all the Board Meetings during the financial year and has no convictions for any offences within the past 5 years, other than traffic offences, if any.



KENJI KAMADA

Managing Director



Age
56

Gender
Male

Date of Appointment
1 April 2021

Mr Kenji Kamada was appointed the Managing Director of the Company on 1 April 2021.

Mr Kenji Kamada joined Matsushita Electric Works Company, Ltd (now known as Panasonic Electric Works Co., Ltd), an affiliated company of Matsushita Electric Industrial Co., Ltd (now known as Panasonic Holdings Corporation, Japan) ("PHC") in Japan in April 1990 as an Engineer. In June 2000, Mr Kamada was promoted as the Manager of the Research & Development department of the Beauty Care Products Division and subsequently as the divisions General Manager in April 2007. In April 2009, Mr Kamada was transferred to Panasonic Electric Works (Thailand) Co., Ltd as a Director of the Home Appliances Division until January 2012 where he was then assigned to Panasonic Manufacturing (Thailand) Co., Ltd with the same role. He returned to Japan in January 2014 and was appointed as the General Manager of the Beauty Living Product Business Division, Appliances Company of PHC. Mr Kamada was assigned to Panasonic Appliances Company of China as the General Manager of Business Planning Department in June 2015. Since November 2016, Mr Kamada was the Managing Director of Panasonic Appliances (Thailand) Co., Ltd. and

Panasonic Appliances R&D Center (Thailand) Co., Ltd., the Thai subsidiaries of PHC. He held this position until his appointment to Panasonic Manufacturing Malaysia Berhad.

Mr Kenji Kamada holds 1,178 shares of Panasonic Holdings Corporation, the ultimate holding company of the Company but has no shareholdings in the Company and the associated company. He also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He attended all the Board Meetings held during the financial year and has no convictions for any offences within the past 5 years, other than traffic offences, if any.



BOARD OF DIRECTORS' PROFILE

(CONTINUED)

RAJA ANUAR BIN RAJA ABU HASSAN

Independent Non-Executive Director



Age
66

Gender
Male

Date of Appointment
1 January 2017

YM Raja Anuar was appointed an Independent Non-Executive Director of the Company on 1 January 2017. He is the Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee of the Company. He is a Fellow of the Association of Chartered Certified Accountants (FCCA), a member of the Malaysian Institute of Certified Public Accountants (MICPA) and the Institute of Internal Auditors. He is also a Chartered Accountant of the Malaysian Institute of Accountants.

During his career, YM Raja Anuar held senior positions in finance and internal audit in several public listed companies in the financial services, manufacturing, telecommunications and plantations industries. YM Raja Anuar's previous experiences also include being on the board of several other public listed companies.

YM Raja Anuar has no shareholdings in the Company and its associate company. He also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He attended all the Board Meetings held during the financial year and has no convictions for any offences within the past 5 years, other than traffic offences, if any.



DATO' KAZIAH BINTI ABD KADIR

Independent Non-Executive Director



Age
72

Gender
Female

Date of Appointment
3 September 2019

Dato' Kaziah was appointed an Independent Non-Executive Director of the Company on 3 September 2019. She is the Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Company. Dato' Kaziah graduated with a Bachelor Degree in Arts (Economics) from University of Malaya.

Dato' Kaziah served the Malaysian Industrial Development Authority (MIDA) since 1975 and her last position was the Deputy Director General I from 2003 until her retirement in 2008. During her tenure with MIDA, she was the Chairperson of the ASEAN Investment Coordinating Committee on Investment for the term 2006/2007 and was a member of the Malaysian Logistic Council and the Malaysian Services Development Council from 2006 until 2008.

She is currently an Advisor to Pricewaterhouse Coopers Taxation Services Sdn Bhd, a position which she has held since July 2008. Previously, she was an advisor of Investor Relations, Investment Management Division of East Coast Economic Region Development Council from 2009 to 2019.

Dato' Kaziah is an Independent Non-Executive Director on the Board of the Malaysian Industrial Development Finance Berhad and MIDF Amanah Investment Bank Berhad.

Dato' Kaziah has no shareholdings in the Company and its associated company. She also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. She attended all of the Board Meetings held during the financial year and has no convictions for any offences within the past 5 years, other than traffic offences, if any.



BOARD OF DIRECTORS' PROFILE

(CONTINUED)

TAN SRI HASMAH BINTI ABDULLAH

Independent Non-Executive Director



Age
71

Gender
Female

Date of
Appointment
**2 October
2013**

Tan Sri Hasmah was appointed an Independent Non-Executive Director of the Company on 2 October 2013. She is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company. Tan Sri Hasmah graduated with a Bachelor of Arts (Honours) from University of Malaya. She is also a Fellow of the Chartered Tax Institute of Malaysia.

Tan Sri Hasmah binti Abdullah had a distinguished career spanning over 38 years and was the former Chief Executive Officer of the Malaysian Inland Revenue Board (IRB) and Director General of IRB from 19 October 2006 to 7 January 2011. At IRB, she led the Malaysian delegation to various international conferences and represented Malaysia on the Management Committee of the Commonwealth Association of Tax Administrators in London from 2007 to 2009. Under her leadership, IRB was awarded the inaugural Prime Minister's Innovation Award in 2009 in recognition of the vast improvements and innovations introduced to the tax-paying public. She has been a Tax Advisor to PricewaterhouseCoopers Malaysia (2011-2013) and a Commission Member of Securities Commission of Malaysia (2011-2018). On 12 September 2018, Tan Sri Hasmah was appointed as the Chairperson of the Tax Reform Committee.

Currently, Tan Sri Hasmah is an Independent Non-Executive Director of UMW Holdings Berhad, a trustee of Dana Amal Jariah, Yayasan Allammiyah and since 30 April 2018, a trustee of the Alzheimer Disease Foundation Malaysia. She is also an Executive Council member of the Selangor and Federal Territory Association for the Mentally Handicapped.

Tan Sri Hasmah has no shareholdings in the Company and its associated company. She also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. She attended all the Board Meetings held during the financial year and has no convictions for any offences within the past 5 years, other than traffic offences, if any.



KWAN WAI YUE

Executive Director



Age
53

Gender
Female

Date of
Appointment
**1 March
2018**

Ms Kwan was appointed the Executive Director of the Company on 1 March 2018.

Ms Kwan graduated with a Bachelor of Accounting from University of Malaya. Upon graduation, Ms Kwan joined a Big-4 audit firm in Malaysia as an Audit Assistant in 1992 and was promoted to Audit Senior two years later. The portfolios of client which she audited included large multinational companies and local corporations. She is also a member of the Malaysian Institute of Accountants.

In 1995, Ms Kwan joined a food manufacturing-based public listed company as an Accountant and in 2000, was promoted to a Financial Controller. Her role as Financial Controller involved overseeing the accounts department, preparation of financial reports, overseeing all tax and regulatory/ compliance issues as well as contributing to decisions regarding financial strategy.

Ms Kwan joined Panasonic Manufacturing Malaysia Berhad in 2007 as the Assistant General Manager of Finance Department taking charge of accounting and financial reporting. She was promoted to General Manager in 2009 and her scope of duties expanded to cover overall financial management, treasury and company secretarial functions. In 2013, following her

exemplary leadership in strengthening the internal control processes, the Company promoted her to Assistant Director of Finance. In 2015, her scope of work was expanded to overseeing the Legal & Compliance department. She is currently been tasked to oversee the operations of the Information System Department.

Ms Kwan has no shareholdings in the Company and its associated company. She also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. She attended all the Board Meetings held during the financial year and has no convictions for any offences within the past 5 years, other than traffic offences, if any.



BOARD OF DIRECTORS' PROFILE

(CONTINUED)

SIEW PUI LING

Executive Director



Age
57

Gender
Female

Date of Appointment
4 August 2014

Ms Siew Pui Ling is the Executive Director since 4 August 2014. She was graduated from Asia University of Tokyo with a Bachelor Degree of Business Administration Management.

Ms Siew Pui Ling joined the Company in 1991 and has more than 25 years of experience in Sales and Marketing. Prior to this, she was assigned to Departmental Head for Logistic, Product Planning and Industrial Design. In 2008, she has merged Product Planning and Marketing Department as Sales Department. Prior to this, she established Voice of Customer Research' team ("VOCR") to further strengthen Product Planning Operation. Ms Siew was appointed as an Assistant Director in year 2012 and currently, she is responsible for Sales & Marketing, Logistic and Product Planning functions of the Company. Starting from April 2017, her portfolio has expanded to include Human Resource Department.

She is currently the Senior Division Executive for Sales and Human Resource Division.

Ms Siew Pui Ling holds 100 shares in the Company but has no shareholdings in the associated company. She also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. She attended all of the Board Meetings held during the financial year and has no convictions for any offences within the past 5 years, other than traffic offences, if any.



MICHIKAZU MATSUSHITA

Non-Independent Non-Executive Director



Age
56

Gender
Male

Date of Appointment
4 August 2014

Mr Matsushita was appointed a Non-Independent Non-Executive Director of the Company on 1 October 2021. He was graduated from Kobe University in Education and Teaching Credential.

Mr Matsushita joined Matsushita Electric Industrial Co., Ltd (now known as Panasonic Holdings Corporation) ("PHC") in Japan in April 1991 in the Domestic Marketing/Sales Group for the Television ("TV") Division and was promoted to the position of Coordinator for the Overseas Operation Group of the TV Division in October 1997. He was assigned to an international posting in February 1999 as the Manager of Panasonic Espana (Spain) and subsequently as the General Manager of Panasonic France (Saint-Denis, France) in April 2004. In April 2009, Mr Matsushita was made the Deputy Managing Director of Panasonic UK & Ireland. He was transferred to Panasonic Marketing Europe (Wiesbaden, Germany) as its Deputy Managing Director in October 2011 and was promoted to Managing Director in April 2014.

Following his success in Europe, he was then appointed as the President of Panasonic do Brasil (Sao Paulo, Brazil) in April 2015. His portfolio was expanded further to oversee the Panasonic Latin America operations. He was made the Regional Head of the Latin America operations in April 2020 as well as the Chief Executive Officer of Panasonic Latin America and promoted in the subsequent year to position of President.

In July 2021, Mr Matsushita was also put in charge of promotion of the Home Appliances business for the Appliances Company division of PHC, Japan. Recognising his strength, PHC promoted him to be the President of the Living Appliances and Solutions Company division in October 2021. He now oversees the global sales and promotion of Panasonic home appliances, air conditioning, food system distribution and other devices.

Mr Matsushita has no shareholdings in the Company and its associated company. He also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He attended two out of three Board Meetings held during the financial year since his appointment to the Board and has no convictions for any offences within the past 5 years, other than traffic offences, if any.



BOARD OF DIRECTORS' PROFILE

(CONTINUED)

KEISUKE NISHIDA

Non-Independent Non-Executive Director



Age
47

Gender
Male

Date of
Appointment
**1 April
2022**

Mr Nishida was appointed a Non-Independent Non-Executive Director of the Company on 1 April 2022. Mr Nishida graduated with a Bachelor of Laws from Tohoku University, Japan.

Mr Nishida joined Matsushita Electric Industrial Co., Ltd (now known as Panasonic Holdings Corporation) ("PHC") in Japan in February 1998 as an Overseas Trainee and was posted to Brazil to work in the sales company there. After a year there, he was assigned back to Japan and was responsible for the Home AV division for the Russia, Middle East & Africa market. From April 2004 to March 2006, he was responsible for the Imaging division for Russia, Middle East & Africa and from April 2006 to February 2008 he covered Asia/ Oceania market.

In March 2008, he was transferred to Panasonic UK as its Marketing General Manager for AV category. He returned to Japan in March 2014 to head the Overseas Sales Marketing of Audio in Consumer Marketing division in charge of Global market except

Europe. In March 2019, he was assigned to UK as Marketing Director responsible for product marketing, brand communication and planning of consumer electronics business.

Mr Nishida has no shareholdings in the Company and its associated company. He also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He did not attend any Board Meetings during the financial year as he was appointed to the Board only recently and has no convictions for any offences within the past 5 years, other than traffic offences, if any.



STRATEGIC MANAGEMENT COMMITTEE MEMBERS' PROFILE



KENJI KAMADA

Mr Kenji Kamada was appointed the Managing Director of the Company on 1 April 2021.

Age
56

Gender
Male

Mr Kenji Kamada joined Matsushita Electric Works Company, Ltd (now known as Panasonic Electric Works Co., Ltd), an affiliated company of Matsushita Electric Industrial Co., Ltd (now known as Panasonic Holdings Corporation, Japan) ("PHC") in Japan in April 1990 as an Engineer. In June 2000, Mr Kamada was promoted as the Manager of the Research & Development department of the Beauty Care Products Division and subsequently

as the divisions General Manager in April 2007. In April 2009, Mr Kamada was transferred to Panasonic Electric Works (Thailand) Co., Ltd as a Director of the Home Appliances Division until January 2012 where he was then assigned to Panasonic Manufacturing (Thailand) Co., Ltd with the same role. He returned to Japan in January 2014 and was appointed as the General Manager of the Beauty Living Product Business Division, Appliances Company of PHC. Mr Kamada was assigned to Panasonic Appliances Company of China as the General Manager of Business Planning Department in June 2015. Since November 2016, Mr Kamada was the Managing Director of Panasonic Appliances (Thailand) Co., Ltd. and Panasonic Appliances R&D Center (Thailand) Co., Ltd., the Thai subsidiaries of PHC. He held this position until his appointment to Panasonic Manufacturing Malaysia Berhad.

Mr Kenji Kamada holds 1,178 shares of Panasonic Holdings Corporation, the ultimate holding company of the Company but has no shareholdings in the Company and the associated company. He also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He has no convictions for any offences within the past 5 years, other than traffic offences, if any.



KWAN WAI YUE

Ms Kwan was appointed the Executive Director of the Company on 1 March 2018.

Age
53

Gender
Female

Ms Kwan graduated with a Bachelor of Accounting from University of Malaya. Upon graduation, Ms Kwan joined a Big-4 audit firm in Malaysia as an Audit Assistant in 1992 and was promoted to Audit Senior two years later. The portfolios of client which she audited included large multinational companies and local corporations. She is also a member of the Malaysian Institute of Accountants.

In 1995, Ms Kwan joined a food manufacturing-based public listed company as an Accountant and in 2000, was promoted to a Financial Controller. Her role as Financial Controller involved overseeing the accounts department, preparation of financial reports, overseeing all tax and regulatory/compliance issues as well as contributing to decisions regarding financial strategy.

Ms Kwan joined Panasonic Manufacturing Malaysia Berhad in 2007 as the Assistant General Manager of Finance Department taking charge of accounting and financial reporting. She was promoted to General Manager in 2009 and her scope of duties expanded to cover overall financial management, treasury and company secretarial functions. In 2013, following her exemplary leadership in strengthening the internal control processes, the Company promoted her to Assistant Director of Finance. In 2015, her scope of work was expanded to overseeing the Legal & Compliance department. She is currently been tasked to oversee the operations of the Information System Department.

Ms Kwan has no shareholdings in the Company and its associated company. She also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. She has no convictions for any offences within the past 5 years, other than traffic offences, if any.

STRATEGIC MANAGEMENT COMMITTEE MEMBERS' PROFILE

(CONTINUED)

Age
57Gender
Female

SIEW PUI LING

Ms Siew Pui Ling is the Executive Director since 4 August 2014. She was graduated from Asia University of Tokyo with a Bachelor Degree of Business Administration Management.

Ms Siew Pui Ling joined the Company in 1991 and has more than 25 years of experience in Sales and Marketing. Prior to this, she was assigned to Departmental Head for Logistic, Product Planning and Industrial Design. In 2008, she has merged Product Planning and Marketing Department as

Sales Department. Prior to this, she established Voice of Customer Research' team ("VOCR") to further strengthen Product Planning Operation. Ms Siew was appointed as an Assistant Director in year 2012 and currently, she is responsible for Sales & Marketing, Logistic and Product Planning functions of the Company. Starting from April 2017, her portfolio has expanded to include Human Resource Department. She is currently the Senior Division Executive for Sales and Human Resource Division.

Ms Siew Pui Ling holds 100 shares in the Company but has no shareholdings in the associated company. She also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. She has no convictions for any offences within the past 5 years, other than traffic offences, if any.

Age
50Gender
Male

YUTAKA MORI

Mr Yutaka Mori was appointed the Director of the Company on 5th February 2021. He graduated from Department of Mechanical Engineering, Faculty of Engineering, Kansai University, Japan.

Mr Yutaka Mori joined Matsushita Seiko Co., Ltd. ("MSC") in April 1995 as a Technical Staff with Air Purifier Section, Engineering Department, Osaka Division and was promoted as an Assistant Manager in Air Purifier Team, Engineering Department, IAQ Business Unit. He was later assigned as a Team Leader.

Mr Mori was transferred to the Engineering Department, R&D center, Panasonic Ecology Systems Guangdong Co., Ltd. ("PESESGD") in April 2012 and was appointed as a General Manager.

Upon his return to Japan in 2016, Mr Mori was posted to Panasonic Ecology Systems Co., Ltd. ("PES") in 2016 and assigned as a Project Leader of Cost Planning Management Project, IAQ Business Unit. In 2018, he was appointed as the General Manager of Cost Promotion Section, IAQ Business Unit prior to joining the Company.

Mr Mori has no shareholdings in the Company and its associated company. He also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He has no convictions for any offences within the past 5 years, other than traffic offences, if any.

STRATEGIC MANAGEMENT COMMITTEE MEMBERS' PROFILE

(CONTINUED)



Age
55

Gender
Male

GOH CHEE CHUN

Mr Goh Chee Chun was appointed the Assistant Director of the Company on 1 April 2013. He graduated with Certificate in Mechanical Engineering from Polytechnic Sultan Haji Ahmad Shah, Kuantan, Pahang in 1987.

Mr Goh joined the Company in 1988 as a Technician and had since held various positions in the Rice Cooker Department from 1988 to 1995. In 1995, he was assigned as Senior Executive of Rice Cooker Department. Thereafter, in 2001 he was promoted to Assistant Manager of R&D Centre for Home Appliance.

In 2003, Mr Goh was appointed as Manager of Rice Cooker Department. Subsequently, he was assigned as the Assistant General Manager of Rice Cooker Department in 2007. He was the Project Leader of Oracle System from 2009 until 2012 prior his appointment as a Group Manager of Product Development Engineering Department for appliance products.

In 2016, Mr Goh was assigned to the factory operation management of the Company and is responsible for kitchen appliances and electric iron. In 2020, he was assigned to Life Solutions Division as Division Executive.

Mr Goh holds 100 shares in the Company but has no shareholdings in the associated company. He also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He has no convictions for any offences within the past 5 years, other than traffic offences, if any.



Age
62

Gender
Male

WONG KEE MING

Mr Wong Kee Ming was appointed the Assistant Director of the Company on 1st April 2012. He graduated with Certificate in Radio & Television Engineering from the Technical Training Institute Kuala Lumpur in 1977.

Mr Wong joined the Company in 1978 as a Production Staff with Colour TV department and was promoted as a Technician in Production Engineering. He was later assigned a supervisory role in the TV Assembly section.

Mr Wong attended the Matsushita Oversea Training Centre in Japan and was trained in Manufacturing Engineering and Plant Management. He was also an

active unionist for 10 years in the Electrical Industry Workers Union before being promoted to a management position in 1989.

In 2001 to 2008, he was assigned the Manager for Dry Battery Business, responsible for Factory operations and OEM customer service and support.

He was later appointed as the General Manager for Kitchen Appliances Department in 2009.

In 2013 he was promoted to Assistant Director and was responsible for Appliances Division, business growth and expansion.

Mr Wong was later appointed the Division Executive for Panasonic Life Solutions Division in 2015, responsible for Manufacturing of Electric Fan products. In 2020, he was assigned as Division Executive of Manufacturing Capability Development, responsible for the promotions of Industry 4.0 and the company's Digital Transformation Program.

Mr Wong holds 100 shares in the Company but has no shareholdings in the associated company. He also has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He has no convictions for any offences within the past 5 years, other than traffic offences, if any.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

COMMITMENT FROM THE BOARD

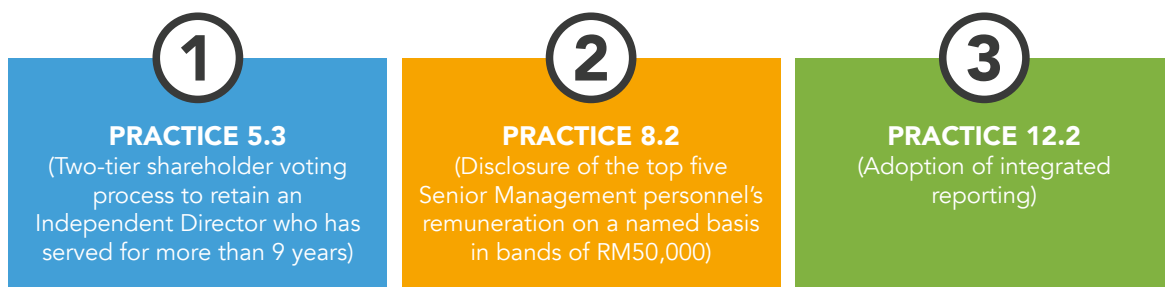
The Board of Directors of the Company ("the Board") remains committed in maintaining the highest standards of corporate governance within the Company and adhering to the principles and best practices of corporate governance, through observing and practising the core values of the Malaysian Code on Corporate Governance 2021 (the "Code"), Panasonic Code of Conduct and Panasonic Basic Business Philosophy (available at <https://www.panasonic.com/global/corporate/management/code-of-conduct/scope.html>). The commitment from the top paves the way for the Management and all employees to ensure the Company's businesses and affairs are effectively managed in the best interest of all stakeholders.

This Corporate Governance Overview Statement sets out the principle features of the Company's corporate governance approach, summary of corporate governance practices during the financial year ended 31 March 2022 ("FY2022") as well as key focus areas and future priorities in relation to corporate governance. The Board is pleased to present this statement and explain how the Company has applied the three (3) principles set out in the MCCG:-

- Board leadership and effectiveness;
- Effective audit and risk management; and
- Integrity in corporate reporting and meaningful relationship with stakeholders.

This Corporate Governance Overview Statement should also be read in tandem with other statements in the Annual Report, namely Statement on Risk Management and Internal Control, Audit Committee Report, Nomination Committee Report and the Sustainability Report.

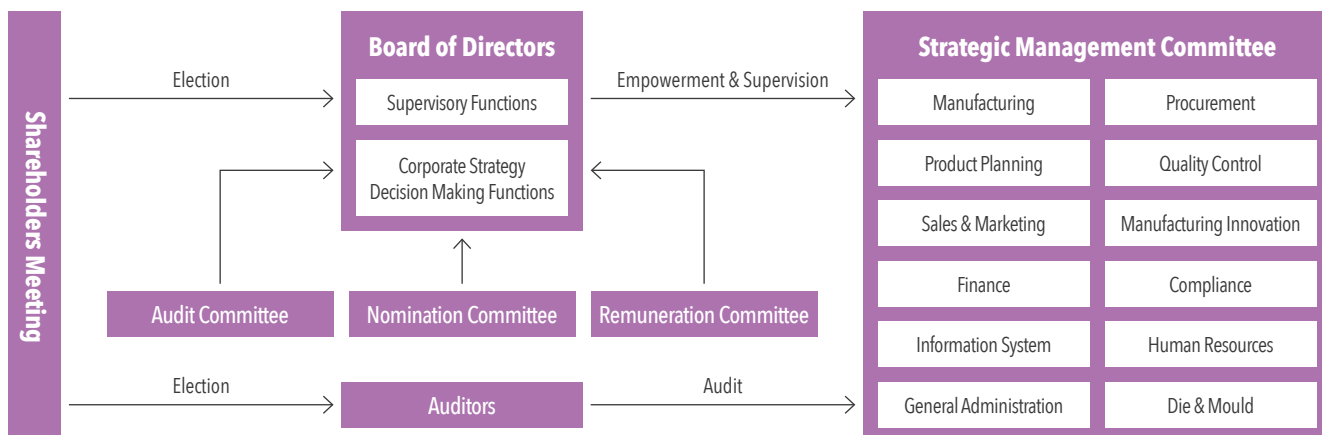
The Company has applied all the Practices encapsulated in the Code for the financial year ended 31 March 2022 except for:



The Code does provide that if the Board finds that it is unable to implement any of the Code's practices, the Board should apply a suitable alternative practice to meet the Intended Outcome. In this respect, the Company has provided forthcoming and appreciable explanations for the departures from the said practices. The explanations on the departures are supplemented with a description on the alternative measures that seek to achieve the Intended Outcome of the departed Practices, measures that the Company has taken or intends to take to adopt the departed Practices as well as the timeframe for adoption of the departed Practices. Further details on the application of each individual Practice of the Code are available in the Corporate Governance Report.

The diagram below describes the governance framework of the Company, showing the relationship between the shareholders and the Board.

Diagram of Corporate Governance Structure:



PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

Board's Role, Duties and Responsibilities

The Board takes full responsibility for the oversight and overall performance of the Company and provides leadership, championing good governance and ethical practices throughout the Company. The Board carries out its role within a framework of prudent and effective controls which enables risk to be appropriately assessed and managed. The Board sets the strategic direction, ensuring that the necessary resources are in place for the Company to meet its objectives and deliver sustainable performance.

The Directors of the Board are selected on a diversity of experience which directly benefits the operation of the Board as well as on the criteria of proven skill and ability in their particular field of endeavour. The full biography of each Board member is provided on pages 42 to 46.

The Board owes the fiduciary duties to the Company and, while discharging its duties and responsibilities, shall individually and collectively exercise reasonable care, skill and diligence at all times.

The Board adopts strategic and business plans aligned to ensure obligations to all stakeholders are met. The Board fulfils its oversight responsibility for financial and operational results, legal-ethical compliance and risk management. The Board is also responsible for reviewing the adequacy and integrity of the Company's internal controls systems and management information systems and ensuring that investor relations and succession planning programme are implemented.

There is a clear separation of duties and responsibilities of the Chairman and the Managing Director to ensure a balance of power and authority. The difference in the roles of Chairman and Managing Director provides a clear segregation of responsibility and accountability.

The Board will review and ensure that any appointment, resignation/termination of Directors, Company Secretary and Auditors are duly executed and documented.

In furtherance of their duties, the Directors have full and unrestricted access to any information pertaining to the Company, the advice and services of the Company Secretary. Independent professional or other advice is also made available to Directors at the Company's expense and in accordance with decision of the Board as a whole should such advice is required.

Nevertheless, to ensure accountability, the Board has an overall responsibility for the proper conduct of the Company's business and the Board Charter sets out the respective roles and responsibilities of the Board and the management and is available on the Company's website. The Board Charter is to be reviewed annually in November each year or as and when required to take consideration the needs of the Company as well as development in rules, regulations and laws which may have an impact on the discharge of Board's duties and responsibilities. The Board Charter was last reviewed by the Board on 24 November 2021.

On time commitment, the Board is satisfied with the level of commitment given by each Director in fulfilling their roles as Director of the Company. Each Director is expected to commit sufficient time to attend all Board and Committee meetings, AGM/EGM, Directors' training, discussion with Management of the Company and meetings with stakeholders of the Company. Pursuant to Paragraph 15.06 of the Listing Requirements, a Director must not hold directorships of more than 5 public listed companies. None of the Directors have exceeded the limit while members of the Board were expected to notify the Chairman prior to their acceptance of any new directorship in another public listed company.

Schedule of matters reserved to the Board

The Board reserves full decision-making powers, amongst others, on the following matters (save to the extent that the Board resolves that determination and/or approval of any such matter shall be delegated to the Committees of the Board of Management):

- Conflict of interest issues relating to a substantial shareholder or a Director;
- Material acquisitions and disposals of undertakings and properties not in the ordinary course of business;
- Material investments in capital projects;
- Annual budgets (including major capital commitments);
- Material corporate or financial exercise/restructuring;
- Declaration of Dividend and Directors' Fee and Benefits; and
- Annual and interim results.

The Board is free to alter the matters reserved for its decision, subject to the limitations imposed by the Constitution of the Company and the applicable law.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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Board Size, Leadership and Competencies

For FY2022, the Board had 9 members comprising of 4 Independent Non-Executive Directors (including the Chairman), a Managing Director, 2 Executive Directors and 2 Non-Independent Non-Executive Directors. The composition of the Board meets the criteria on one-third independent directorship as set out in the Main Market Listing Requirements and fairly reflects the investment by minority shareholders through Independent Directors. The current Board Composition it does not comply with Practice 5.1 of the Code where at least half the Board is to comprise of independent directors.

Currently, five (5) of the Directors on the Company's Board are representatives of PHC, to enable the latter to implement its policy and strategy for the PHC Group as a whole.

The Company appreciates the spirit of the Code where the Board is encouraged to incorporate the new dimensions of a composition of majority independent directors into the decision-making processes. To this extent, the Company has improved on the ratio of Independent Directors to Non-Independent Directors from 4 : 7 to 4 : 5 since the financial year ended 31 March 2019 even though it was earlier targeted to be achieved by the financial year ending 31 March 2020. The earlier achievement of the 4:5 ratio reflects the earnestness of the Company to advance nearer to the intended application of the Code. The Board has reviewed this alternative practice to achieve the intended outcome for board decisions to be made objectively in the best interest of the Company taking into account diverse prospective and insights.

The Board leads the Company within a framework of prudent and effective controls. The Board comprises of members from various professions with individual personalised quality, expertise, skills and relevant market and industry knowledge and ensures at all times that necessary financial and human resources are in place for the Company to meet its strategic objectives.

The Independent Non-Executive Directors act independently from Management and do not participate in the Company's business dealings to ensure that they handle any conflict of interest situation and all proceedings of the Board effectively through a system of independent checks and balances.

Presently the number of Non-Executive Directors are more than the Executive Directors. This to ensure that the Executive Directors do not dominate the Board's decision making. This composition also allows for more effective oversight of management even though the independent non-executive directors do not form majority of the Board.

The Company is a subsidiary of Panasonic Holdings Corporation (PHC) (formerly known as Panasonic Corporation), a multinational company listed on the Tokyo Stock Exchange and the Nagoya Stock Exchange which has, since its establishment, operated its business under its business philosophy, "contributing to the progress and development of society and the well-being of people worldwide through its business activities". Also, PHC believes it is important to increase corporate value by fulfilling accountability through dialogue with various stakeholders such as shareholders and customers, making effort to execute transparent business activities, and swiftly conducting business activities with fairness and honesty based on its basic philosophy of "a company is a public entity of society".

The members of the Board with their combined business, management and professional experience, knowledge and expertise, provide the core competencies to allow for diverse and objective perspectives on the Company's business and direction. Taking into account the scope and nature of its operations, the Board believes that its present composition represents an appropriate balance of Executive and Non-Executive Directors to achieve the promotion of shareholder interests and effective governance of the business, and yet allow for effective decision-making.

For the Independent Non-executive Directors of the Company, the Board views that they have the vast experience in a diverse range of business to provide constructive opinion and exercise independent judgement. As the Company is a Panasonic Holdings Corporation controlled subsidiary, the Company's Executive Directors are rotated among the companies in the Panasonic Holdings Corporation in enhancement of their career development. As there are changes in the members of the Executive Board every 2-3 years, the Company views that there should be stability in the members of the Independent Non-Executive Directors to ensure that the Company's culture, conduct and philosophy are maintained or enhanced by the new executive members.

The Chairman of the Board, Dato' Azman Mahmud, is the Senior Independent Non-Executive Director to whom concerns relating to the Company may be conveyed by the Directors, shareholders and other stakeholders.

The Company has included a policy on diversity of gender, ethnicity and age and although the Company had set the target to have at least 30% women directors within 5 years, i.e. by financial year ending 31 March 2023. The Company had achieved this target in financial year ended 31 March 2019. The appointment of Tan Sri Hasmah Binti Abdullah, Ms Siew Pui Ling, Ms Kwan Wai Yue and Dato' Kaziah Binti Abd Kadir as Directors reflects that the Board recognises the value of female members of the Board. The women directors presently form 40% of the Board. The age of the Directors range from 53 to 77 as the Board believes that this creates an environment where each generation brings different skills, experience and talents to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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Conduct of Meetings

The Board met five (5) times during the financial year under review to approve, amongst others, the quarterly and annual financial results, business strategies and business plans, to review business performance of the Company and to ensure that the proper internal control systems are in place. Board and Board Committees meeting papers accompanying notes and explanations for agenda items were sent to the Directors at least 7 days before the meeting. Time is allocated for Directors to raise other matters not covered by the formal agenda.

The summary of attendance of the Directors in office at the Board Meetings held during the financial year ended 31 March 2022 was as follows:

FINANCIAL YEAR ENDED 31 MARCH	MEETING ATTENDANCE	% OF ATTENDANCE
Dato' Azman Mahmud	5/5	100
Kenji Kamada	5/5	100
Raja Anuar bin Raja Abu Hassan	5/5	100
Tan Sri Hasmah Binti Abdullah	5/5	100
Siew Pui Ling	5/5	100
Cheng Chee Chung (resigned on 1 April 2022)	3/5	60
Kwan Wai Yue	5/5	100
Michikazu Matsushita (appointed on 1 October 2021)	2/3	67
Dato' Kaziah Binti Abd Kadir	5/5	100

All proceedings, deliberations and conclusions of the Board Meetings are clearly recorded in the minutes of meetings, confirmed and signed as correct record by the Chairman of the Meeting.

The Board also exercises control on routine matters that require the Board's approval through the circulation of Directors' Resolutions in writing as allowed under the Company's Constitution.

Minutes of each Board and Board Committees Meeting are circulated to the members of the Board/Committee as soon as practicable for perusal prior to confirmation of the minutes at the following meetings.

Directors' Continuing Education

All Directors are scheduled to attend the Mandatory Accreditation Programme as required under the Main Market Listing Requirements within the timeframe allowed under the Main Market Listing Requirements. Newly appointed Directors also undergo a formal orientation and education programme including factory visits guided by other Executive Directors and senior management.

During the financial year, the following Directors have also attended the following additional trainings, conferences, seminars and briefings relevant to their functional duties:

NO.	CONTINUING EDUCATION PROGRAMME ATTENDED	DATE
1.	Dato' Azman Mahmud <ul style="list-style-type: none"> Board and Audit Committee Priorities 2021 ORANGE IS THE NEW BLACK: Malaysian Anti-Corruption Laws and Initiatives Mandatory Accreditation Programme Governance in Groups ISO 37001:2016 Anti-Bribery Management Systems ISLAMIC FINANCE FOR BOARD OF DIRECTORS 	7 May 2021 16 June 2021 28-30 June 2021 4-5 October 2021 10 November 2021 9-10 March 2022

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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NO.	CONTINUING EDUCATION PROGRAMME ATTENDED	DATE
2.	Kenji Kamada <ul style="list-style-type: none"> FY2021 PAPMAP Policy Meeting FY2021 Asia Manufacturing MD Meeting Mandatory Accreditation Programme Panasonic Management Training Panasonic Management Training Malaysia Employment Law Seminar 	5 April 2021 22 June 2021 28-30 June 2021 16 July 2021 27 August 2021 16 March 2022
3.	Raja Anuar Raja Abu Hassan <ul style="list-style-type: none"> Audit Oversight Board's ("AOB") Conversation with Audit Committees Risk Culture Building - The Future of Risk Management MIA Digital Month 2022 - Digital Agility: Stay Ahead of the Curve 	6 December 2021 17 March 2022 29-30 March 2022
4.	Tan Sri Hasmah Abdullah <ul style="list-style-type: none"> Board and Audit Committee Priorities 2021 National Tax Conference 2021 Governance in Groups Raising Defences : S 17A, MACC Act Audit Oversight Board's ("AOB") Conversation with Audit Committees 	7 May 2021 27-28 July 2021 4-5 October 2021 7-8 September 2021 6 December 2021
5.	Dato' Kaziah Abd Kadir <ul style="list-style-type: none"> ISLAMIC FINANCE FOR BOARD OF DIRECTORS PROGRAMME ("IF4BOD") e-vite: Sustainable Finance: Making better financial decisions Shariah Dialogue 2021 (WAQF) Open Enrolment Programme - Raising Defences: Section 17A, MACC Act Talk On "Implementing Amendments In The Malaysian Code On Corporate Governance" Identifying the Red Flags in Anti-Money Laundering & Counter Financing of Terrorism (AML/CFT) by SIDC Shariah Programme on "Legal Islamic Finance - Sharing Cases" with Mr. Jal Othman Briefing by Ernst & Young (EY) on BNM Guidelines Integrity Programme on Anti-Bribery and Corruption for Board of Directors and Senior Management 	7-8 April 2021 9 April 2021 2 June 2021 9-10 June 2021 14 June 2021 23 August 2021 30 August 2021 28 September 2021 8 November 2021
6.	Kwan Wai Yue <ul style="list-style-type: none"> M&A in the New Normal – Legal & Tax Due Diligence Implementing Amendments In The Malaysian Code On Corporate Governance US Forced Labor Legislation: Impact on Corporate Malaysia Tax Governance: It's Time to Embrace It 	9 June 2021 14 June 2021 15 September 2021 13 January 2022
7.	Siew Pui Ling <ul style="list-style-type: none"> Asia Pacific CS Management Meeting PES Global Strategy Planning & Development meeting-1 PES Global Strategy Planning & Development meeting-2 Governance 4.0: Transforming Business, Transforming Boards Higher Order Thinking Skill Training APAC Logistics Conference 2021 (ALC2021) The Future Of HRBP: Building the capability of tomorrow's HR Business Partner. People Analytics & future of work in the ' New Normal' 	8 April 2021 25 June 2021 4 August 2021 17 August 2021 19 August 2021 19 November 2021 1-2 December 2021 13-14 December 2021
8.	Michikazu Matsushita <ul style="list-style-type: none"> Mandatory Accreditation Programme 	15-17 March 2022
9.	Cheng Chee Chung <ul style="list-style-type: none"> FY2021 PAPMAP Policy Meeting 	5 April 2021

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Board Committees

The Board has established several Board Committees whose compositions and terms of reference are drawn up in accordance with the best practices prescribed by the Code. The functions as well as authority delegated to the Board Committees are clearly defined in their terms of reference.

The Board Committees of the Company consist of the Audit Committee, Nomination Committee and Remuneration Committee. The Chairman of the respective Board Committees reports the outcome of the Board Committee Meetings to the Board, and if required, further deliberations are made at Board level.

Audit Committee

The Audit Committee provides independent review of the Company's financial results and internal control system to ensure compliance with the statutory and accounting policy disclosures requirements and to maintain a sound system of internal control. A full Audit Committee Report enumerating its membership, terms of reference and summary of activities is set out on pages 63 to 65 of the Annual Report. The terms of reference of the Audit Committee can be viewed on the Company's website.

On a formal assessment on the performance and effectiveness of the Audit Committee and its members in FY2022, the Board with the exception of the Directors who are also Audit Committee members were generally satisfied that the size of the Audit Committee is large enough to perform the duties as defined and its judgment is not impaired as they are sufficiently independent from management. The Audit Committee members have also fulfilled the requirements in terms of roles and responsibilities and in their relationship with External Auditors and Internal Auditors.

In the assessment, the Board finds the Chairman of the Audit Committee has the strength, personality and tact dealing with Directors, Internal and External Auditors. In addition, the Chairman of the Audit Committee was found to be experienced and effective in conducting meetings. With the Audit Committee meeting usually held a couple of days before the Board meeting, the Chairman of the Audit Committee will provide the Board with a written summary of the salient discussions held at the Audit Committee for reference and brief on the findings and recommendations.

The Board has retained the position of the Chairman of the Audit Committee and its members for the next financial term.

Nomination Committee

The Nomination Committee membership comprises entirely of Independent Non-Executive Directors, as follows:

NO.	NAME	DESIGNATION
1.	Dato' Kaziah Binti Abd Kadir (Chairman)	Independent Non-Executive Director
2.	Tan Sri Hasmah Binti Abdullah (Member)	Independent Non-Executive Director
3.	Raja Anuar bin Raja Abu Hassan (Member)	Independent Non-Executive Director

The Nomination Committee is entitled to the services of the Company Secretary who would ensure that all appointments are properly made upon obtaining all necessary information from the Directors. All the assessments and evaluations carried out during the year were properly documented and minuted by the Company Secretary. The terms of reference of the Nomination Committee is also available on the Company's website.

Further details on the duties and activities of the Nomination Committee are set out in the Nomination Committee Report.

Re-election of Directors

In accordance with the Company's Constitution, all Directors appointed by the Board are subject to retirement and re-election by shareholders at the first opportunity after their appointment. It also provides that at least one-third of the remaining Directors including the Managing Director, are subject to retirement by rotation at each AGM. All Directors shall retire from office at least once in every 3 years and shall be eligible for re-election.

Each year, the Nomination Committee assesses the experience, competence, integrity and capability of each Director who wishes to continue his office before making recommendation to the Board. The Nomination Committee has at its meeting on 24 May 2022 evaluated the performance and recommended the re-election of Tan Sri Hasmah Binti Abdullah, Ms Siew Pui Ling, Mr Michikazu Matsushita and Mr Keisuke Nishida.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONTINUED)

Remuneration Committee

The Remuneration Committee comprises of the following members, the majority of whom are Independent Directors:

NO.	NAME	DESIGNATION
1.	Tan Sri Hasmah Binti Abdullah (Chairman)	Independent Non-Executive Director
2.	Raja Anuar Bin Raja Abu Hassan (Member)	Independent Non-Executive Director
3.	Dato' Kaziah Binti Abd Kadir (Member)	Independent Non-Executive Director

At a meeting held on 25 May 2021, the Remuneration Committee made a recommendation to the Board for payment of Directors' fees not exceeding RM800,000 in aggregate for FY2022 to the Independent Non-Executive Directors and meeting allowance of RM1,500 per meeting attended. It was approved by the shareholders at the AGM held on 30 August 2021.

The meeting allowance is paid on attendance of the Independent Non-Executive Director at the meetings of the Board/Committees. The Directors' Fees in respect of FY2022 was paid quarterly in arrears:

NO.	DETAILS OF REMUNERATION	DATE OF PAYMENT
1.	Directors' fees for 1st quarter ended 30 June 2021	10 September 2021
2.	Directors' fees for 2nd quarter ended 30 September 2021	6 October 2021
3.	Directors' fees for 3rd quarter ended 31 December 2021	11 January 2022
4.	Directors' fees for 4th quarter ended 31 Mar 2022	12 April 2022

In case any Independent Non-Executive Director who does not serve the Company for a continuous full year of services, the Directors' fees shall be adjusted proportionately from date of appointment or up to date of resignation/cessation of office of Director, as the case may be.

The remuneration package of the Independent Non-Executive Directors including the Independent Non-Executive Chairman was determined by linking their remuneration to the time commitment of each Director and whether the Directors take on additional responsibilities such as chairmanship or membership of the Board committees or Senior Independent Non-Executive Director and is a matter of the Board as a whole. The Independent Non-Executive Directors who have an interest do not participate in discussions on their remuneration.

The Remuneration Committee members were also briefed on the basis of determination of remuneration package applied to the Executive Directors and Strategic Management Committee of the Company, which comprised of basic salary, annual adjustment, performance incentive, bonus and benefit-in-kind. The Company takes cognisance that the compensation packages of the Japanese Executive Directors appointed by Panasonic Holdings Corporation are subject to the global compensation practices of the worldwide Panasonic Group of Companies and deliberates only on the compensation packages of the Malaysian Executive Directors. Nevertheless, the Board views that the compensation packages of the Japanese Executive Directors are fair considering their expatriate position and their job scope.

The bonus of the Malaysian Executive Directors are linked to a combination of the operating profit and cash at hand position against the Business Plan and against the previous financial year results, whilst the increment is based on the Company's overall performance and consumer performance index.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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Directors' Remuneration

The details of the remuneration of the Directors of the Company for the FY2022 are as follows:

DESCRIPTIONS	EXECUTIVE DIRECTOR (RM)	NON-EXECUTIVE DIRECTOR (RM)	TOTAL (RM)
Fees	-	683,517	683,517
Meeting allowance	-	94,770	94,770
Salary and other remuneration	2,005,946	-	2,005,946
Benefits-in-kind (BIK)	49,600	-	49,600
Total	2,055,546	778,287	2,833,833
Total (excluding BIK)	2,005,946	778,287	2,784,233

Details of Directors' remuneration for FY2022 are set out as below:

(i) Independent Non-Executive Directors and Non-Independent Non-Executive Directors

DIRECTOR	FEES (RM)	MEETING ALLOWANCES (RM)	TOTAL (RM)
Tan Sri Asmat Bin Kamaludin (Retired on 30 August 2021)	209,350	4,770	214,120
Raja Anuar Bin Raja Abu Hassan	118,000	25,500	143,500
Tan Sri Hasmah Binti Abdullah	115,000	25,500	140,500
Dato' Kaziah Binti Abd Kadir	115,000	25,500	140,500
Cheng Chee Chung (Resigned on 1 April 2022)	-	-	-
Shigeru Dono (Resigned on 1 October 2021)	-	-	-
Dato' Azman Bin Mahmud	126,167	13,500	139,667
Michikazu Matsushita	-	-	-

(ii) Executive Directors

DIRECTOR	SALARIES AND EMOLUMENTS (RM)	BONUS (RM)	BENEFITS-IN-KIND (RM)	TOTAL (RM)
Kenji Kamada	610,841	144,478	49,600	804,919
Siew Pui Ling	523,305	100,411	-	623,716
Kwan Wai Yue	526,043	100,867	-	626,910

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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The Company, Directors and officers have jointly contributed to Directors and Officers Elite Insurance Policy since 2002. However, the said insurance policy does not indemnify a Director or officer for any offence or conviction involving negligence, fraud, dishonesty or breach of duty or trust.

In line with a more comprehensive disclosure of corporate remuneration structure in the form of the Managing Director's pay gap ratio and to promote corporate transparency the mean and median employee remuneration for FY2022 is disclosed below:

MANAGING DIRECTOR	RM
Annual Pay	804,919

EMPLOYEE	RM
Mean Pay	70,654
Median Pay	47,052
Lowest Total Pay	17,805
Highest Total Pay	717,224

Company Secretary

The Board is supported by a qualified Company Secretary and all Directors have unlimited direct access to the professional advice and services of the Company Secretaries as well as access to all information within the Company whether as a full board or in their individual capacity.

The roles and responsibilities of the Company Secretary are as follows:

- (i) attend and ensure that all meetings are properly convened and the proceedings of all meetings including pertinent issues, substance of inquiries and responses, suggestions and proposals are duly recorded and minuted;
- (ii) provides support to the Chairman to ensure the effective functioning of the Board and assists the Chairman in preparation of conduct of meetings;
- (iii) update and advise the Board on Board procedures and ensure that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and all matters associated with the maintenance of the Board or otherwise required for its efficient operation;
- (iv) ensure proper upkeep of statutory registers and records of the Company; and
- (v) advise the Board on compliance of statutory and regulatory requirements.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

The Audit Committee plays a key role in a Company's governance structure. To be better positioned to rigorously challenge and probe the Management on the Company's financial reporting process, internal controls, risk management and governance, the Audit Committee should be independent in its judgment. The Company has since the set-up of the Audit Committee appointed a different Director from the Chairman of the Board. This is to ensure that the Board's objective review of the Audit Committee's findings and recommendations are not impaired. The Chairman of the Audit Committee is responsible for ensuring the overall effectiveness and independence of the Committee. All the members of the Audit Committee are Independent Non-Executive Directors.

The Chairman of the Audit Committee is a Chartered Accountant and the other members have the appropriate level of knowledge, skills, experience to discharge the Audit Committee's responsibilities effectively.

The Company has in the past not appointed any former key audit partner and will formalise a policy statement in the Board Charter to observe a cooling-off period of at least two years before any former key audit partner is appointed as a member of the Board.

The Audit Committee has policies and procedures to annually assess the suitability, objectivity and independence of the external auditor. The annual assessment is made on:

- Level of service, independence and level of non-audit services rendered by them;
- Quality and scope of the planning of the audit;
- Quality and timeliness of reports furnished to the Audit Committee;
- Level of understanding demonstrated of the Company's business; and
- Communication with the Audit Committee about new and applicable accounting practices and auditing standards and the impact to the Company's financial statements.

The Company had in place a policy on non-audit services provided by External Auditors. For engagement of external auditor to perform non-audit service, the Audit Committee has to be satisfied that the provision of such services does not impair the auditor's objectivity, judgement or independence. The Audit Committee ensures that the fees chargeable for non-audit services are reasonable before recommending the proposed engagement to the Board of Directors for consideration and approval.

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Financial Reporting

The Board as a whole is responsible for the accuracy and integrity of the Company's financial reporting. The Board, with assistance of the Audit Committee which provides a more specialised oversight of the financial reporting process, scrutinises all quarterly results and annual statutory financial statements prior to official release to regulatory authorities and shareholders.

Directors' Responsibility Statement

The Board is required by the Companies Act 2016 to ensure that the financial statements of the Company represent a true and fair view of the state of affairs of the Company and that they are prepared in accordance with the applicable approved accounting standards in Malaysia, by applying appropriate accounting policies consistently and making prudent and reasonable judgments and estimates. Independent opinions and reports by External Auditors have added credibility to financial statements released by the Company.

The Board has a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Risk Management and Internal Control Framework

The Board, with the assistance of the Audit Committee, continues to review its risk management and internal control processes and procedures to ensure as far as possible, that it maintains adequate levels of protection over its assets and the shareholders' investments. The features of the Company's risk management and internal control framework, the adequacy and effectiveness of this framework is detailed out in the Statement on Risk Management and Internal Control is set out on pages 66 to 69 of the Annual Report.

Relationship with Internal and External Auditors

The Board has established a transparent relationship with the Company's External Auditors and Internal Auditors via the Audit Committee who has explicit authority to communicate directly with them.

The External Auditors are working closely with the Internal Auditors and Tax Consultants, without compromising their independence. Their liaison with the Internal Auditors would be in accordance with International Standards on Auditing (ISA) No. 610: "Considering the Work of Internal Auditing", with the main objective of avoiding duplication of efforts to maximise audit effectiveness and efficiency. The External Auditors will continue to review Internal Audit reports and discuss findings with the Internal Auditors, where necessary.

In accordance with the principles set out in ISA No. 260 "Communicating of Audit Matters with Those Charged with Governance", the External Auditors have brought to the Board's attention through the Audit Committee, all the significant accounting, auditing, taxation, internal accounting systems and process control and other related matters that arise from the audit of the financial statements of the Company. Audit Committee Members meet with the External Auditors twice a year without presence of management to discuss on key concerns and obtain feedback relating to the Company's affairs.

Whistleblowing Policy and Anti-Bribery & Corruption Rules

The Company advocates openness and transparency in its commitment to the highest standard of integrity and accountability. The Whistleblowing Policy aims to establish a robust, transparent and accountable communication channel for Employees and Stakeholders of the Company to voice their concerns in an effective, responsible and secured manner when they become aware of actual or potential wrongdoings and enables the Company to take swift, fair and effective corrective actions to comply with the social and corporate responsibilities and maintain the support and trust of Employees and Stakeholders.

Employees and Stakeholders have the option to make whistleblowing reports in strict confidence through any of the following channels:

REPORTING MODE	CONTACT DETAILS
Letter	Panasonic Manufacturing Malaysia Berhad 3, Jalan Sesiku 15/2 40200 Shah Alam, Selangor Attention: Whistleblowing Committee
Online Submission	Whistleblowing Report Form http://pmma.panasonic.com.my
Electronic mail	compliance_pmma@my.panasonic.com
Global Hotline	NAVEX Global (24 hours, 365 days) 1-800-81-8923

Confidentiality of all matters raised and the identity of the whistleblower are protected under this policy.

PMMA is guided by the APAC Region Anti-Bribery & Corruption Rules and have appropriate Policies and Procedures in place outlining the responsibilities and rules of Clean Business Dealings for the Board, employees, Trade and Non-Trade Suppliers. This includes conducting due diligence on any relevant parties or personnel such as Board members, employees, suppliers prior to entering into any formal relationship.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Relationship with Shareholders and Investors

The communication of clear, relevant and comprehensive information which is timely and readily accessible by all stakeholders is important to shareholders and investors for informed investment decision making. The Board acknowledges that integrated reporting goes beyond the current reporting as it is to be a clear, concise, integrated story that explains how all of the Company's resources create value. The articulation of the Company's strategy, performance and governance together with deliberation of prospects surrounding the business of the Company would have to make through the connectivity of information. As the concept of value is highly subjective, the Company will need to first establish parameters for the materiality determination process and set the reporting boundary of the various operating and functional units to determine the disclosures required.

For the time being, the Board views that the financial, governance and business review reports that have been included in the Annual Report 2022 provides sufficient information flow to the various stakeholders. The current means of communication with shareholders and investors are as follows:

a) Investor Relations

In line with the Main Market Listing Requirements, effort was made to improve the investor relations via the enhancement of the Company's website to allow the direct and easy access by the shareholders, investors and members of public to the Company's announcements, quarterly results, Annual Reports, Circulars to Shareholders etc released through Bursa Link and corporate videos presented to the shareholders during the AGM.

The Chairman, Executive Directors and/or Management held meetings with major shareholders, fund managers and investment analysts, at their request to enable them to gain a better understanding of the Company's business and operational activities to make informed investment decisions. Nevertheless, information is disseminated in strict adherence to the corporate disclosure requirements of Bursa Malaysia Securities Berhad.

b) Annual General Meeting

For the financial year ended 31 March 2021, the Company issued the notice of AGM on 30 July 2021 and held the AGM on 30 August 2021, provided the shareholders with more than 28 days notice. All the Directors attended the 2021 AGM. The Managing Director also provided shareholders with a slide presentation on the Company's financial performance and operations. The questions submitted in advance by the Minority Shareholders' Watch Group were also presented for the shareholders information and the answers were given in a slide presentation.

An active communication session was held with individual shareholders, proxies and corporate representatives who raised questions and concerns at the AGM. All resolutions put to the vote of the AGM were voted on by poll.

The Chairman and Managing Director are delegated with the authority to speak on behalf of the Company to members of the Press. A press statement was released to the Media after the conclusion of the AGM.

This Statement is made in accordance with the resolution of the Board of Directors dated 31 May 2022.

NOMINATION COMMITTEE REPORT

The Board of Directors of the Company ("the Board") is pleased to present the Nomination Committee Report for the financial year ended 31 March 2022 ("FY2022").

COMPOSITION AND ATTENDANCE AT MEETING

The composition of the Nomination Committee comprise entirely of Independent Non-Executive Directors and their attendance at meeting held in FY2022 are as follows:

NO.	NAME OF NOMINATION COMMITTEE MEMBER	NO. OF MEETINGS ATTENDED
1.	Dato' Kaziah Binti Abd Kadir (Chairman) (Independent Non-Executive Director)	3/3
2.	Tan Sri Hasmah Binti Abdullah (Member) (Independent Non-Executive Director)	3/3
3.	Raja Anuar bin Raja Abu Hassan (Member) (Independent Non-Executive Director)	3/3

The Nomination Committee has written terms of reference dealing with its authority and duties which includes the selection and assessment of directors.

FUNCTIONS

The key functions of the Nomination Committee include the following:-

- Review and recommend to the Board for approval the following appointments:
 - Members of the Board;
 - Members of the Board Committees;
 - Members of the Strategic Management Committee;
 - Senior Independent Non-Executive Director; and
 - Managing Director
- Annually review the Board's required mix of skills, experience and other qualities, including core competencies, which the Non-Executive Directors should bring to the Board;

- Annually assess the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director; and
- Review the performance of the Malaysian members of the Strategic Management Committee for approving the renewal of their service contracts, which involve their appointment, replacement or removal.

The Nomination Committee met three times during the FY2022.

ACTIVITIES OF THE NOMINATION COMMITTEE

During the FY2022, the Nomination Committee, in discharging its functions and duties, carried out the following activities:-

- reviewed the mix of skill and experience and other qualities of the Board;
- assessed the effectiveness of the Board as a whole, the Board committees and the Directors;
- discussed and recommended the appointment of new directors and re-election of retiring Directors;
- reviewed the appointment of new Non-Independent Non-Executive Directors, Mr Michikazu Matsushita and Mr Keisuke Nishida as replacement for Mr Shigeru Dono and Mr Cheng Chee Chung respectively.

Evaluation of Performance, Mix of Skills, Experience and Qualities

Based on the current position and practices of the Company, the Nomination Committee upon its review on 24 May 2022 was satisfied that the Board and Board Committees structure, size, composition, mix of skills and qualities of the Directors in the financial year ended 31 March 2022 were appropriate.

The Company appreciates the spirit of the Malaysian Code on Corporate Governance where the Board is encouraged to have at least half of its Board members to comprise of Independent Directors more effective oversight of Management. Presently the number of Non-Executive Directors are more than the Executive Directors and the Chairman is an Independent Director. This to ensure that the Executive Directors do not dominate the Board's decision making. This composition also allows for both effective and efficient oversight of Management even though the independent non-executive directors do not form half of the Board. To this extent, the Company has improved the ratio of Independent Directors to Non-Independent Directors from 4 : 7 to 4 : 5 in the financial year ended 31 March 2019, in its earnestness to advance nearer to the intended application of the Code and this was maintained in FY2022.

NOMINATION COMMITTEE REPORT

(CONTINUED)

The Nomination Committee also conducted a formal assessment of performance and effectiveness of the Board, the Board Committees and the individual Directors internally facilitated by the Company Secretary. As a post-evaluation process, the Company Secretary had summarised the results of evaluation and reported to the Directors allowing them to know their standing and the Board was encouraged to take actions on the outcome of evaluation by recommending remedial measures on areas that need improvements. From the annual assessment, the Nomination Committee was satisfied that all the Executive, Non-Executive and Independent Directors on the Board possess sufficient qualification to remain on the Board and there were no remedial measures that were required.

Save for the Nomination Committee members who are also a member of the Board and have abstained from assessing their own individual performance as Director of the Company, each of the Nomination Committee Members view that all the Directors have good personal attributes and possess sufficient experience and knowledge in various fields that are vital to the Company's industry. On the Board evaluation, the Committee agreed that all the Directors have discharged their stewardship duties and responsibilities towards the Company as a Director effectively. In general, the Board and Board Committees were functioning effectively as a whole having indicated a high level of compliance and integrity.

Re-election and Re-appointment

In accordance with the Company's Constitution, all Directors appointed by the Board are subject to retirement and re-election by shareholders at the first opportunity after their appointment. It also provides that at least one-third of the remaining Directors including the Managing Director, are subject to retirement by rotation at each Annual General Meeting ("AGM"). All Directors shall retire from office at least once in every 3 years and shall be eligible for re-election.

The Nomination Committee has at its meeting on 24 May 2022 evaluated the performance of Tan Sri Hasmah and Ms Siew Pui Ling who are standing for re-election pursuant to Article 100 as well as Mr Michikazu Matsushita and Mr Keisuke Nishida who were appointed during the financial year and are standing for re-election pursuant to Article 105 of the Company's Constitution at the forthcoming Annual General Meeting. The Nomination Committee recommended their re-election to the Board to table the resolution for their re-election to the shareholders for approval.

Directors' Independence

Consistent with the recommendation of the Code, the Nomination Committee undertook the independence assessment taking into account the Independent Directors' self-declaration on their compliance with the independence criteria under the Listing Requirements and the ability of the Independent Director to continue bringing independent and objective judgement to the Board deliberations. The Nomination Committee notes that there are no reasons that have come to their attention that the independence status of the Independent Directors is affected.

AUDIT COMMITTEE REPORT

The Board of Directors of the Company ("the Board") is pleased to present the Audit Committee Report for the financial year ended 31 March 2022.

COMPOSITION

The composition of the Audit Committee comprises only of Independent Non- Executive Directors. The members of the Audit Committee and records of attendance of each member at Audit Committee meetings held during the financial year ended 31 March 2022 are as follows:

NO.	NAME OF AUDIT COMMITTEE MEMBER	NO. OF MEETINGS ATTENDED
1.	Raja Anuar Bin Raja Abu Hassan (Chairman) (Independent Non-Executive Director)	4/4
2.	Tan Sri Hasmah Binti Abdullah (Member) (Independent Non-Executive Director)	4/4
3.	Dato' Kaziah Binti Abd Kadir (Member) (Independent Non-Executive Director)	4/4

All of the Independent Non-Executive Directors satisfy the test of independence under Bursa Malaysia Securities Berhad's Main Market Listing Requirements (MMLR). The composition of the Audit Committee meets the requirements of paragraph 15.09(1)(a) and (b) of the MMLR and Practice 9.4 under Principle B of the Malaysian Code on Corporate Governance 2021.

The Chairman of the Audit Committee, Raja Anuar bin Raja Abu Hassan is a Member of the Malaysian Institute of Accountants and hence, the Company is in compliance with paragraph 15.09(1)(c) of the MMLR, which requires at least one (1) Member of the Audit Committee to be a qualified accountant.

The Board reviews the terms of office of the Audit Committee members and assesses the performance of the Audit Committee and its members through an annual Board Committee effectiveness evaluation. The Board is satisfied that the Audit Committee and its members discharged their functions, duties and responsibilities in accordance with the Terms of Reference (TOR) which is available on the Company's website.

CONDUCT OF MEETINGS

The Audit Committee meets on a quarterly basis. There were four (4) Audit Committee Meetings during the financial year ended 31 March 2022. The Managing Director, Executive Directors and relevant responsible Management members were invited to the meetings to facilitate direct communication and provide clarification on audit issues and the Company's operations. The Internal Auditors and External Auditors attended the meetings to present their respective reports. The discussion of each meeting was tabled to and noted by the Board. The Chairman of Audit Committee reports on the main findings raised by the External Auditors and significant concerns raised by the Internal Auditors in the respective quarterly presentations, as well as the deliberations of the Audit Committee Meeting to the Board.

DUTIES AND RESPONSIBILITIES

In fulfilling its primary objectives, the Audit Committee shall undertake the following duties and responsibilities and report the same to the Board for approval:

Financial Reporting and Compliance

- To review the quarterly results and annual audited financial statements of the Company, focusing particularly on:
 - changes in or implementation of major accounting policies and practices;
 - Significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed;
 - compliance with accounting standards and other legal requirements; and
 - the going concern assumption.
- To review any related party transaction and conflict of interest situation that may arise within the Company, including any transaction, procedure or course of conduct that raises question of management's integrity;

Risk Management and Internal Audit

- To consider and approve Annual Risk Management Plan and be satisfied that the methodology employed allows the identification, analysis, assessment, monitoring and communication of risks in a regular manner that will allow the Company to minimise losses and maximise opportunities;
- To consider and approve the Annual Internal Audit Plan and programme and be satisfied as to the adequacy of coverage and audit methodologies employed;

AUDIT COMMITTEE REPORT

(CONTINUED)

5. To ensure that the system of internal control is soundly in place, effectively administered and regularly monitored and to review the extent of compliance with established internal policies, standards, plans and procedures;
6. To review and approve the reports on internal audit and risk management and to ensure that appropriate actions are taken on the recommendations of the internal audit and risk management functions;
7. To recommend to the Board steps to improve the system of internal control derived from the findings of the Internal Auditors and External Auditors and from the consultations from the Audit Committee itself;
8. To review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
9. To review the scope of the internal audit function to ensure it is sufficient enough to be able to provide relevant assurance on the adequacy and operating effectiveness of the Company's governance risk and control processes as promulgated by the Statement of Risk Management and Internal Controls;
10. To review any appraisal or assessment of the performance and to approve any appointment, resignation or termination of the outsourced Internal Auditor service provider;

Statutory and Non-Statutory Audit

11. To review and discuss with the External Auditors, prior to the commencement of audit, the audit plan which states the nature and scope of the audit;
12. To review any matters concerning the appointment and re-appointment, audit fees and any questions of resignation, dismissal or removal of the External Auditors;
13. To review factors related to the independence and objectivity of External Auditors and their services including non-statutory audit services;
14. To discuss on findings, problems and reservations arising from the interim and final statutory audits, External Auditors' Audit Committee Report and any matters the External Auditors may wish to discuss as well as to review the extent of cooperation and assistance given by the employees of the Company to the External Auditors;

Other Matters

15. To review the Statement of Risk Management and Internal Control and to prepare the Audit Committee Report for the Board's approval prior to inclusion in the Annual Report;
16. To carry out such other functions as may be directed by the Board.

SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE

In line with the TOR of the Audit Committee, the following activities were carried out by the Audit Committee during the financial year under review:

Financial Reporting

1. Reviewed the unaudited quarterly results and performance of the Company and recommended to the Board for approval.
2. Reviewed the draft Statutory Financial Statements of the Company for the financial year ended 31 March 2021 and recommended to the Board for approval.

External Audit

1. Discussed the External Auditors' Report to the Audit Committee for the financial year ended 31 March 2021 and the Annual Audit Plan for the financial year ended 31 March 2022 that were presented to the Audit Committee.
2. Held meetings with the External Auditors without Management's presence twice during the year to obtain feedback on the state of internal controls.
3. Reviewed the audit and non-audit fees (review of the Statement of Risk Management and Internal Control) of the External Auditors for the financial year ended 31 March 2021 and recommended to the Board for approval.
4. Assessed the independence, performance and competency of the External Auditors.
5. Made recommendation to the Board on the re-appointment of the External Auditors.

Internal Audit

1. Approved the Annual Internal Audit Plan.
2. Reviewed the Internal Audit Reports with recommendations by the Internal Auditors, Management's response and follow-up actions taken by the Management and monitoring the same with the Internal Auditors.
3. Reviewed the Enterprise Risk Management report.

AUDIT COMMITTEE REPORT

(CONTINUED)

Compliance

1. Reviewed the state of internal control of the Company and extent of compliance with the established policies, procedures and statutory requirements.
2. Reviewed the Statement on Risk Management & Internal Control and Audit Committee Report prior to the Board's approval for inclusion in the Company's Annual Report 2021.

Related Party Transactions

1. Reviewed the draft circular to shareholders in relation to recurrent related party transactions of a revenue or trading nature (RRPT) and recommended to the Board for approval.
2. Reviewed the quarterly summary of RRPT and recommended to the Board for approval/ratification.
3. Reviewed the summary of the non-mandated RRPT and recommended to the Board for approval/ratification.

The Audit Committee is responsible for overseeing the implementation of the Whistleblower Policy and Procedures for the employees and external parties. During the year, there were 3 complaints received via the whistleblowing channel. Arising from internal reviews, the Management had taken the necessary steps to reach out to the complainants and to address the complaints made.

INTERNAL AUDIT FUNCTION

The Internal Audit function is outsourced to, BDO Governance Advisory Sdn Bhd ("BDO"), an independent consulting firm whose main role is to undertake independent and systematic review of the system of internal controls so as to provide independent assurance on the adequacy and effectiveness of risk management, internal controls and governance process of the Company. BDO has no line of responsibility or authority over any operational or administrative function and is independent of the activities it audits.

BDO adopts an international methodology, which is in compliance with the Institute of Internal Auditors' International Professional Practices Framework ("IPPF"), Code of Ethics and risk based internal auditing guidance. The independence of BDO is reviewed on a yearly basis. BDO is required to declare if any conflict of interest exist where an annual confirmation is sought from them that all of their staff on the job are free from any relationships or conflict of interest with the Company which could impair their objectivity. BDO had confirmed to the Audit Committee on their independence and there is no conflict of interest. The performance and competency of BDO was assessed and the Audit Committee found the services rendered to be satisfactory.

The Internal Audit Plan was developed together with BDO on an annual basis based on the entity wide risk assessment. The Internal Audit Plan was presented and approved by the Audit Committee on 18 May 2021. The audits were executed based on a risk-based approach and the audit outcome were communicated to the Audit Committee during the quarterly reporting.

BDO's deliverables covers the areas concerning governance, risk management and internal control processes highlighting the causes, findings, weaknesses, recommendation and management's corrective action plan, if any. For the financial year ended 31 March 2022, the following areas were audited and its results were reported to the Audit Committee:

INTERNAL AUDIT AREA	INTERNAL AUDITOR'S OPINION
Fixed Asset Management	Improvements were required
Health, Safety and Environment for Home Appliances Division	Improvements were required
Anti-Bribery and Anti-Corruption Corporate Liability Procedures	Improvements were required
Foreign Workers Welfare Management	Improvements were required

BDO conducted follow-up reviews with Management on all agreed corrective actions on audit issues to ascertain if Management has resolved the concern on the key risks and weaknesses identified during the internal audit on a timely basis. The status of corrective actions were reported to the AC during quarterly basis.

The professional fees incurred for the Internal Audit function in respect of the financial year ended 31 March 2022 amounted to RM101,132.70.

The following internal audit activities were carried out by the Internal Auditors during the financial year under review:

1. Formulation of and agreement with the Audit Committee on the risk-based internal audit plan that is consistent with the Company's objectives and goals.
2. Conducted various internal audit engagements in accordance with the audit plan.
3. Conducted follow-up on issues raised to ensure key findings raised in the internal audit reports were addressed accordingly.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In accordance with Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors ("Board") of listed companies is required to include in their annual report, a "statement about the state of internal control of the listed issuer as a company". The Malaysian Code on Corporate Governance issued by Securities Commission Malaysia requires the Board to establish a sound risk management framework and internal control system. The Board is pleased to provide the following statement that is prepared in accordance with the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" endorsed by Bursa Securities which outlines the nature and scope of the risk management and internal control of the Company during the financial year under review.

BOARD RESPONSIBILITIES

The Board recognizes the importance of sound risk management practices and internal controls to safeguard shareholders' investments and the Company's assets. The Board affirms its overall responsibility for the Company's system of risk management and internal control which includes the establishment of an appropriate control environment and framework, as well as reviewing and monitoring its adequacy and integrity. The Board is responsible for determining the nature and extent of the risks that the Company is willing to take to achieve its objectives, whilst in parallel maintaining sound risk management and systems of internal control.

The Board tasks Management to identify and assess the risks faced by the Company, and thereafter design, implement and monitor appropriate internal controls to mitigate and control those risks. There are inherent limitations to any system of risk management and internal control and the system is designed to manage and minimize impact rather than completely eliminate risks that may affect the achievement of the Company's business objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss. The system of internal control covers, inter alia, financial, operational and compliance controls and risk management procedures.

KEY PROCESSES OF THE SYSTEM OF INTERNAL CONTROL

The Audit Committee is supported by external service providers, BDO Governance Advisory Sdn. Bhd. ("BDO") and they report their audit plans and review reports directly to the Audit Committee.

The activities of the internal audit are guided by the Annual Audit Plan approved by the Audit Committee. The internal audit plan was developed based on the information provided by Management through the Risk Register, as well as areas of concern deemed important by Audit Committee and/or Management.

The internal audits were undertaken to provide independent assessments on the adequacy, efficiency and effectiveness of the internal control systems to manage risk exposures of the Company. BDO adopts risk-based approach in executing the planning, reviews and assessments, steered by BDO's internal audit methodology based on Integrated Framework issued by COSO (The Committee of Sponsoring Organisations of the Treadway Commission).

The Audit Committee had full access to the services and advice of the internal auditors and received reports on all audits that were performed.

During the financial year ended 31 March 2022 ("FY2022"), BDO had executed the following internal audit works:

- (1) Conducted reviews and assessments based on FY2022 annual audit plans which was approved by the Audit Committee at the 1st meeting of FY2022 covering the areas of:
 - i. Fixed Asset Management
 - ii. Health, Safety and Environment for Home Appliances Division
 - iii. Anti-Bribery and Anti-Corruption Corporate Liability Procedures
 - iv. Foreign Workers Welfare Management
- (2) Conducted follow-up with the Management on agreed corrective action items taken on outstanding audit issues to ensure key risks and weaknesses were addressed effectively and timely, where the status of implementation of the said agreed corrective action items are reported to the Audit Committee on a quarterly basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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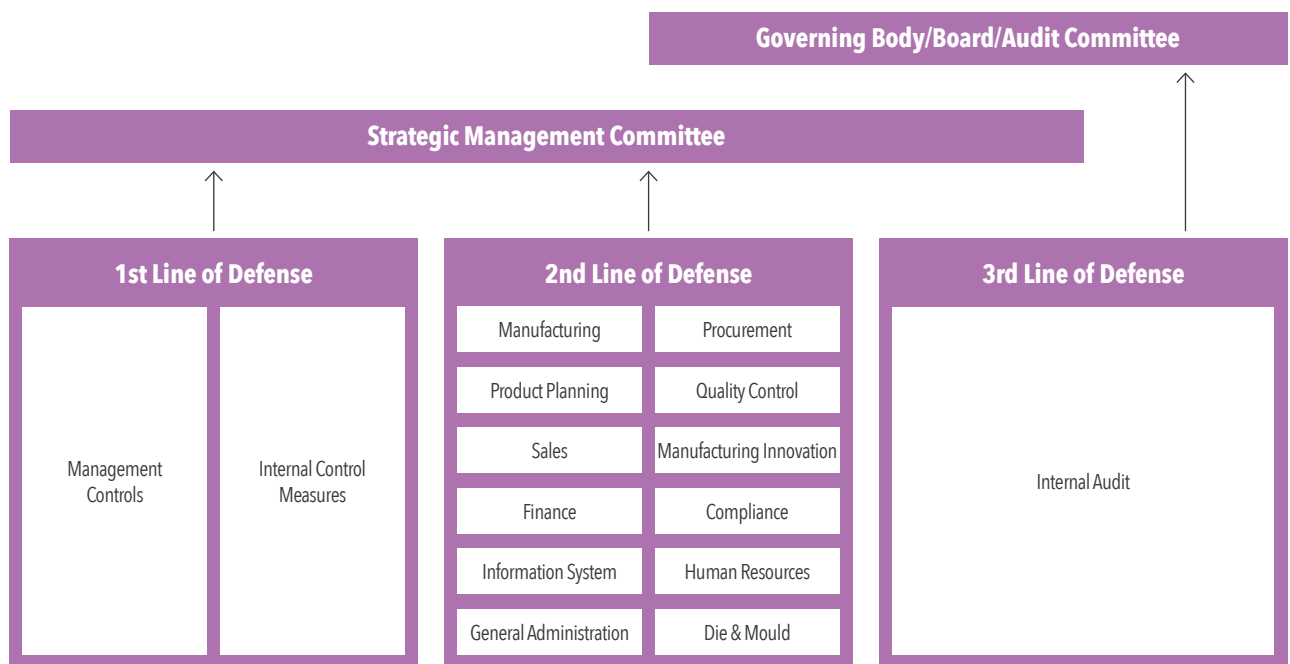
The resulting reports from BDO, including the findings, recommendations and Management's responses, were presented to the Audit Committee on a quarterly basis. The Management is responsible to ensure that necessary agreed corrective action items are taken and resolved within the required timeframe.

Other elements of internal control system:

1. Governance structure

The Company has established a governance structure with clear lines of defense to ensure business risks are prudently identified, assessed and managed to meet its business strategies and objectives within a reasonable control environment.

Diagram of Governance Structure



2. Delegation of Authority

The Company has established Financial Authority Limits for approving capital expenditure and non-capital expenditure. Major capital investments, acquisitions and disposals exceeding a certain threshold require Board Approval.

3. Annual Business Plans and Budgets

Operating plans and budgets are prepared by the respective Heads of Departments on an annual basis and presented to the Board for deliberation and approval. Actual performance against budget is monitored by the Board.

4. Monitoring by Strategic Management Committee

Regular management and operation meetings are attended by the members of Strategic Management Committee covering financial and operational performance.

5. Monitoring by the Board

Board meetings are held regularly with a formal agenda on matters for discussion. The Board is kept updated on the Company's activities and operations regularly.

6. Panasonic Code of Conduct

The Company clearly defines its basic policy on information disclosure in the "Panasonic Code of Conduct," the guideline for putting the Group's Basic Business Philosophy into practice.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONTINUED)

ENTERPRISE RISK MANAGEMENT PROCESS

Risk management is firmly embedded in the Company's management system as Management firmly believes that risk management is critical for the Company's sustainability and the enhancement of shareholder's value.

- Company's Enterprise Risk Management Objectives
 - ~ Preserve the safety and health of its employees.
 - ~ Ensure the continuity of its supply to consumers and customers at all times.
 - ~ Protect its assets and reputation.
 - ~ Ensure that the Company's operations do not impact negatively on the community in which it operates and the environment.
 - ~ Protect the interests of all stakeholders.
 - ~ Promote an effective risk awareness culture where risk management is an integral aspect of the Company's management systems.
 - ~ Ensure compliance with all applicable statutory and legal requirements
- The risk management function is coordinated by BDO, who assists the Audit Committee in updating the risk register to reflect the changes in rating, status of controls and action plan annually.
- The Compliance Committee that has been established to promote strong self-check system to ensure compliance is top priority in the Company's business activities also ensures that information is shared across all divisions and all levels in a timely manner.
- The Strategic Management Committee that has been established with appropriate powers to ensure effective management and supervision of the Company's core areas of business operations. Its function includes review of registration of new suppliers, investment/expenditure by the Company exceeding stipulated amount and to review any changes in the Company's policies. Its members comprise of Assistant Directors and above. It acts as a control before the Company's Managing Director provides his final approval.
- Other internal committees include the Information Security Management Working Committee, Quality Committee, Safety & Health and Fire Prevention Committee.
- The Company's business units monitor and explain performance against key performance Indexes on a monthly basis at the monthly operation meetings, factory management review meetings and quality assurance meetings attended by the Directors and Senior Management of the Company. Comprehensive monthly financial and management reports are prepared for effective monitoring and decision making. The monitoring of performance variances are followed up and management actions are taken to rectify any deviations on a timely and effective manner.

- Accounting and other manuals are in place towards ensuring that the recordings of financial transactions are complete and accurate.
- Standard operating procedure ("SOP") manual sets out policies and procedures for day to day operations to be carried out. Periodic reviews are performed to ensure that the SOP remains current, relevant and aligned with evolving business environment and operational needs.
- The Anti-Bribery and Anti-Corruption Policy sets out the policies and procedures on the Company's commitment to conduct its business with high standards of ethics and integrity. The Company adopts a "zero-tolerance" approach towards bribery and corruption by any of the employees or by business partners working on behalf, including suppliers, agents or contractors. In addition, periodic reviews and discussions are held to ensure such risks are mitigated.
- Whistleblowing Policy provides an avenue for employees and external parties to report actual or suspected malpractice, misconduct or violations of the Company's policies and regulations in a safe and confidential manner.

The Company applies the ISO 14001 Environment Management System taken charge by the Environment Management Department, ISO 45001 Occupational Health and Safety Management with oversight by Safety and Health Department, ISO27001 Information Security Management System with the Information Security Department in charge and ISO 9001 Quality Management Systems taken charge by Quality Control Department.

RELATED PARTY TRANSACTIONS (RPTS)/ RECURRENT RELATED PARTY TRANSACTIONS (RRPTS)

The Company has established the Guidelines and Procedures on RPTs and RRPTs (collectively, the Guideline) to promote continuous awareness and provide consistent approach to all RPTs and RRPTs situations. The said Guideline requires the use of various processes to ensure that RPTs/RRPTs are conducted on an arm's length basis, which is consistent with the Company's normal business practices and policies, and will not be to the detriment of the Group's minority shareholders.

The Guideline aims to provide guidance under which certain transactions and situations must be reviewed and endorsed by the various approving authority of the Company in compliance with the Listing Requirements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONTINUED)

The Guideline also prescribes the processes required to identify, evaluate, approve, monitor and report RPTs/RRPTs. Such processes include identification and screening of transactions, negotiation of transaction and approval/mandate mechanism, monitoring and reporting principles, and renewal or changes in the terms or termination of such transactions. In principle, the said Guideline sets forth the following:

- All sourcing and sales of the Company's products, general merchandise and shared facilities shall be based on market negotiated pricing terms and conditions and/or pricing formulas and the terms are not more favourable to the related party than those generally applied to a third party, in order to ensure that the transactions are on an arm's length basis.
- Database is maintained to capture the list of related parties and RPTs/RRPTs which have been entered into.
- If a Director or a related party has an interest in a transaction, he or she will abstain from any deliberation and decision making at the Board in respect of such transaction.
- All RPTs will be reviewed by the Audit Committee prior to the approval by either the Board or Shareholders. All RPTs and RRPTs will be reported to the Audit Committee on a quarterly basis.

Overall, during FY2022, the Company had processes in place to assess that RPTs/RRPTs were fairly concluded on prevailing market rate/prices, had been carried out at arm's length basis and normal commercial terms/conditions, applicable industry norms and not detrimental to the interest of the Company and its minority shareholders.

CONCLUSION

For the financial year under review and up to the date of issuance of the financial statements for inclusion in the annual report, the Managing Director and Finance Director have provided written assurance to the Board stating that the Company's risk management and internal control systems have operated adequately and effectively, in all material aspects, to safeguard shareholders' interests and the Company's assets.

The Board is satisfied that there are sound and sufficient controls in place that have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's annual report. No weaknesses in internal control that have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company's annual report were noted.

The Board's review however does not encompass the system of internal control of its associated company, Panasonic Malaysia Sdn. Bhd. ("PM"), as it does not have direct control over their operations. Notwithstanding the above, the Company's interest is served through representation on the Board of PM and receipt and review of management accounts, reports on quarterly basis, the key performance of PM and the general market environment. Such initiatives provide the Board with vital information on the activities of PM and safeguarding of the Company's interest.

ADDITIONAL COMPLIANCE INFORMATION

The following information is presented in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad:

(1) UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

Not applicable.

(2) AUDIT AND NON-AUDIT FEES

For the financial year under review, the audit and non-audit fees incurred by the Company payable to the External Auditors, KPMG PLT were RM222,000 and RM10,000, respectively. There was an additional fee for the increased audit scope for the losses arising from SA2 plant disruption and cessation of certain Kitchen Appliances products (RM9,000).

The non-audit fees incurred were for the review on the Statement of Risk Management and Internal Control (RM10,000).

(3) MATERIAL CONTRACTS

Other than the recurrent related party transactions, there were no material contracts of the Company, involving Directors' and major shareholders' interests, entered into since the end of the previous financial year or still subsisting at the end of the financial year under review.

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 March 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the manufacture and sale of electrical home appliances and related components whilst the principal activities of the associated company are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

ULTIMATE HOLDING COMPANY

The Directors regard Panasonic Holdings Corporation (formerly known as Panasonic Corporation), a corporation incorporated in Japan, as the ultimate holding company during the financial year and until the date of this report.

RESULTS

	RM'000
Profit for the year attributable to owners of the Company	51,511

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review other than as disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, the amount of dividends paid by the Company were as follows:

- i) In respect of the financial year ended 31 March 2021:
 - a final ordinary dividend of 148 sen per ordinary share totalling RM89,903,754 declared on 28 May 2021 and paid on 23 September 2021.
- ii) In respect of the financial year ended 31 March 2022:
 - an interim single tier dividend of 15 sen per ordinary share totalling RM9,111,867 declared on 24 November 2021 and paid on 21 January 2022.

The final dividend recommended by the Directors in respect of the financial year ended 31 March 2022 of 68 sen per ordinary share will be tabled for the approval of the shareholders at the forthcoming Annual General Meeting. Based on the issued and paid-up capital of the Company as at the date of this report, the final dividend would amount to approximately RM41,307,130.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022
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DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Tan Sri Hasmah binti Abdullah	
Siew Pui Ling	
Raja Anuar bin Raja Abu Hassan	
Kwan Wai Yue	
Dato' Kaziah binti Abdul Kadir	
Kenji Kamada	(Appointed on 1 April 2021)
Dato' Azman bin Mahmud	(Appointed on 15 April 2021)
Michikazu Matsushita	(Appointed on 1 October 2021)
Keisuke Nishida	(Appointed on 1 April 2022)
Tan Sri Asmat bin Kamaludin	(Retired on 30 August 2021)
Shigeru Dono	(Resigned on 1 October 2021)
Cheng Chee Chung	(Resigned on 1 April 2022)

In accordance with Article 97 of the Company's Articles of Association, Ms Siew Pui Ling retires by rotation at the forthcoming Annual General Meeting, and being eligible, offers herself for re-election.

DIRECTORS' INTERESTS

The interests and deemed interests in the shares and options over shares of the Company and of its related corporations of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

Company

Number of ordinary shares

	At 1.4.2021	Bought	Sold	At 31.3.2022
Siew Pui Ling				
- Direct Interest	100	-	-	100

Ultimate Holding Company

- Panasonic Holdings Corporation
(formerly known as Panasonic Corporation)

Number of common stock

	At 1.4.2021	Bought	Sold	At 31.3.2022
Kenji Kamada				
- Direct Interest	1,178	-	-	1,178

None of the other Directors holding office at 31 March 2022 had any interest in the shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022
(CONTINUED)

ISSUE OF SHARES AND DEBENTURES

There were no issue of shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity coverage given to Directors and officers of the Company pursuant to the Directors and Officers Liability Insurance was RM20,000,000. There was no indemnity given to or insurance effected for auditors of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, except for the write-off of unutilised inventories arising from termination of certain products lines as disclosed in Note 8 to the financial statements, the financial performance of the Company for the financial year ended 31 March 2022 has not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022
(CONTINUED)

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in Note 16 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Dato' Azman bin Mahmud

Director

Kenji Kamada

Director

Kuala Lumpur

Date: 31 May 2022

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Note	2022 RM'000	2021 RM'000
Assets			
Property, plant and equipment	3	143,745	138,175
Right-of-use assets	4	5,722	5,889
Intangible assets	5	3,457	5,538
Interest in associated company	6	115,058	113,971
Deferred tax assets	7	10,755	11,213
Total non-current assets		278,737	274,786
Inventories	8	89,805	69,632
Trade and other receivables	9	100,627	104,218
Current tax assets		5,766	-
Derivative financial assets	10	182	10
Cash and cash equivalents	11	442,665	523,934
Total current assets		639,045	697,794
Total assets		917,782	972,580
Equity			
Share capital	12	60,746	60,746
Retained earnings		704,467	751,972
Total equity		765,213	812,718
Liabilities			
Provision for liabilities and charges	13	594	597
Lease liabilities		50	112
Total non-current liabilities		644	709
Trade and other payables	14	145,490	148,601
Provision for liabilities and charges	13	6,328	5,548
Derivative financial liabilities	10	45	866
Lease liabilities		62	83
Taxation		-	4,055
Total current liabilities		151,925	159,153
Total liabilities		152,569	159,862
Total equity and liabilities		917,782	972,580

The notes on pages 81 to 125 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 RM'000	2021 RM'000
Revenue	15	868,776	974,558
Cost of sales		(774,013)	(792,445)
Gross profit		94,763	182,113
Other operating income		19,523	6,410
Distribution and marketing cost		(40,151)	(38,778)
Administrative expenses		(35,927)	(35,621)
Other operating expenses		(6,951)	(9,535)
Results from operating activities		31,257	104,589
Finance costs		(5)	(9)
Finance income		7,957	10,287
Share of results of associated company (net of tax)	6	13,828	20,284
Profit before tax	16	53,037	135,151
Tax expense	17	(1,526)	(18,697)
Profit for the year and total comprehensive income for the year		51,511	116,454
Basic earnings per ordinary share (sen)	18	85	192

The notes on pages 81 to 125 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Share capital RM'000	Distributable Retained earnings RM'000	Total equity RM'000
At 1 April 2020		60,746	755,795	816,541
Total profit and comprehensive income for the year		-	116,454	116,454
Contributions by and distributions to owners of the Company				
Dividends				
- Final dividend for the financial year ended 31 March 2020	19	-	(111,165)	(111,165)
- Interim dividend for the financial year ended 31 March 2021	19	-	(9,112)	(9,112)
Total transactions with owners of the Company		-	(120,277)	(120,277)
At 31 March 2021/1 April 2021		60,746	751,972	812,718
Total profit and comprehensive income for the year		-	51,511	51,511
Contributions by and distributions to owners of the Company				
Dividends				
- Final dividend for the financial year ended 31 March 2021	19	-	(89,904)	(89,904)
- Interim dividend for the financial year ended 31 March 2022	19	-	(9,112)	(9,112)
Total transactions with owners of the Company		-	(99,016)	(99,016)
At 31 March 2022		60,746	704,467	765,213

The notes on pages 81 to 125 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 RM'000	2021 RM'000
Cash flows from operating activities			
Profit before tax		53,037	135,151
Adjustments for:			
Property, plant and equipment			
- depreciation	3	28,115	29,589
- write-off	3	1,046	373
- gain on disposal	16	(443)	(126)
- impairment loss	3	604	1,622
- reversal of impairment	3	(1,419)	-
Depreciation of right-of-use assets	4	167	201
Amortisation of intangible asset	5	2,316	2,263
Movement in provision of liabilities and charges	13	6,356	2,822
Interest income		(7,957)	(10,287)
Finance cost for lease liabilities		5	9
Share of results of associated company	6	(13,828)	(20,284)
Net unrealised foreign exchange loss/(gain)	16	180	(3,796)
Fair value gain on derivative financial instruments	16	(993)	(207)
Operating profit before changes in working capital		67,186	137,330
Changes in working capital:			
Inventories		(20,173)	3,532
Trade and other receivables		3,219	(24,773)
Trade and other payables		(2,919)	11,165
Cash generated from operations		47,313	127,254
Tax paid		(10,889)	(22,852)
Interest paid		(5)	(9)
Rework and recall cost paid		(286)	(1,463)
Warranty paid		(760)	(778)
Employee welfare scheme/Mutual separation scheme paid		(4,337)	(3,948)
Foreign worker recruitment fee paid		(196)	(2,620)
Net cash generated from operating activities		30,840	95,584
Cash flows from investing activities			
Purchase of property, plant and equipment		(34,443)	(42,538)
Purchase of intangible asset		(174)	(114)
Proceeds from disposal of property, plant and equipment		909	211
Interest received		7,957	10,287
Dividends received		12,741	3,185
Net cash used in investing activities		(13,010)	(28,969)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022
(CONTINUED)

	Note	2022 RM'000	2021 RM'000
Cash flows from financing activities			
Dividends paid		(99,016)	(120,277)
Payment of lease liabilities		(83)	(116)
Net cash used in financing activities		(99,099)	(120,393)
Net decrease in cash and cash equivalents		(81,269)	(53,778)
Cash and cash equivalents at 1 April		523,934	577,712
Cash and cash equivalents at 31 March	11	442,665	523,934

Cash outflows for leases as a lessee

	Note	2022 RM'000	2021 RM'000
Included in net cash from operating activities			
Payment relating to short-term leases	16	1,354	1,259
Payment relating to low-value leases	16	30	26
Interest paid in relation to lease liabilities	16	5	9
Included in net cash from financing activities			
Payment of lease liabilities		83	116
Total cash outflows for leases		1,472	1,410

Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1 April 2020 RM'000	Net changes from financing cash flows RM'000	Termination of contract RM'000	At 31 March 2021/ 1 April 2021 RM'000	Net changes from financing cash flows RM'000	Termination of contract RM'000	At 31 March 2022 RM'000
Lease liabilities	330	(116)	(19)	195	(83)	-	112

The notes on pages 81 to 125 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Panasonic Manufacturing Malaysia Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the registered office and principal place of business of the Company is as follows:

Registered office/Principal place of business

No. 3, Jalan Sesiku 15/2
Section 15, Shah Alam Industrial Site
40200 Shah Alam
Selangor Darul Ehsan

The financial statements of the Company for the financial year ended 31 March 2022 comprise the Company and the Company's interest in its associated company.

The Company is principally engaged in the manufacture and sale of electrical home appliances and related components whilst the principal activities of the associated company are as stated in Note 6 to the financial statements.

The immediate holding company during the financial year was Panasonic Management Malaysia Sdn. Bhd., incorporated in Malaysia. The ultimate holding corporation during the financial year was Panasonic Holdings Corporation (formerly known as Panasonic Corporation), a corporation incorporated in Japan and listed on the Tokyo Stock Exchange and Nagoya Stock Exchange.

These financial statements were authorised for issue by the Board of Directors on 31 May 2022.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, amendments and interpretations of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

1. BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Company plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 April 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for Amendments to MFRS 1, Amendments to MFRS 3 and Amendments to MFRS 141 which are not applicable to the Company.
- from the annual period beginning on 1 April 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 and Amendments to MFRS 17 which are not applicable to the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, unless otherwise stated in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions based on historical experience and other factors, including expectations of future events that are deemed reasonable are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in Notes 2(k) and 13.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Company, unless otherwise stated.

(a) Basis of consolidation

(i) Associates

Associates are entities, including unincorporated entities, in which the Company has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transactions costs. The financial statements include the Company's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Company, from the date that significant influence commences until the date that significant influence ceases.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

(i) Associates (continued)

When the Company's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the associate.

When the Company ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when the equity method is discontinued is recognised in profit or loss.

When the Company's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(ii) Transactions eliminated

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Company's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified to subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(i)(i)) where the effective interest rate is applied to amortised cost.

(b) Fair value through profit or loss

All financial assets not measured at amortised cost as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is designated and effective hedging instrument). On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduced an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to impairment assessment (see Note 2(i)(i)).

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities (continued)

(a) *Fair value through profit or loss* (continued)

On initial recognition, the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- (a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- (b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Company's key management personnel; or
- (c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Company recognises the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(b) *Amortised cost*

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, plant and equipment

(i) Recognition and measurement

Construction work-in-progress is measured at cost. Other items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the Company's accounting policy on borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" or "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is de-recognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component are depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The annual rates representing the estimated useful lives for the current and comparative periods are as follows:

• Buildings	2½% - 5%
• Plant and machinery	10% - 50%
• Furniture, fittings, structures and equipment	5% - 20%
• Motor vehicles	25%

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Company is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The Company excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these as an expense on a straight-line basis over the lease-term.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Leases (continued)

(iii) Subsequent measurement

As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment in Note 2(d)(iii). In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(f) Intangible assets

(i) Other intangible assets

Intangible assets, other than goodwill, that are acquired by the Company, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

(iii) Amortisation

Other intangible assets are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful life for the current and comparative periods are as follows:

- Software and licenses 25%

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investment which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Company in the management of their short-term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(i) Impairment

(i) Financial assets

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Company measures loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

The Company estimates the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery amounts due.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment (continued)

(ii) Other assets

The carrying amount of other assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amount of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(j) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Company's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Company has no further payment obligations.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Provision for rework and recall cost

The Company recognises at the reporting date the estimated liability on all expenditure for the rework and recall cost due to parts quality problem or safety issues arising from usage of the products.

The provision, in anticipation of the risk of potential occurrence of certain events based on past experiences, is calculated based on management's best estimate of the expenditure expected to be incurred over the historical claim ratio and quantity produced over a specified period of time.

The amount of provision of rework and recall expenditure will be charged to profit or loss and any unutilised portions of the provision are reviewed annually and retained based on the risks and obligation specific to that particular product. Where the Company's assessment reveals that there are no further risks associated with a product, the provision would be fully reversed. These provisions are recognised in line with the Panasonic group's global quality policy.

(ii) Provision for warranty

Existing products

The Company applies judgement and recognises the estimated liability on all products still under warranty at the reporting date. This provision is calculated based on a pre-determined percentage on annual sales of the products for a period of one year. The amount of provision of warranty claims will be charged to profit or loss and any unutilised portion of the warranty provision will be written back to profit or loss in the following financial year. Sales of parts are exempted from any warranty provision. For products which have exceeded the warranty period, the Company will undertake to inspect, repair or replace the parts at an appropriate cost.

Discontinued products

The provision for warranty on discontinued products is computed based on historical warranty data over the remaining expected warranty term. The amount of provision of warranty claims will be charged to profit or loss and any unutilised portion of the warranty provision is reviewed annually and retained based on the risks and obligation specific to that particular product. These provisions are recognised in line with the Panasonic group's global quality policy.

(l) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statement of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Revenue and other income

(i) Goods sold

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Company transfers control of a good or service at a point in time unless one of the following over time criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided as the Company performs;
- (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Company's performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date.

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(n) Finance income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(o) Research and development

Research and development expenditure is recognised as an expense except that costs incurred on development projects are recognised as development assets to the extent that such expenditure is expected to generate future economic benefits. Development costs initially recognised as expenses are not recognised as an asset in a subsequent financial years. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

- (i) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (ii) management intends to complete the intangible asset and use or sell it;
- (iii) there is an ability to use or sell the intangible asset;
- (iv) it can be demonstrated how the intangible asset will generate probable future economic benefits;
- (v) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- (vi) the expenditure attributable to the intangible asset during its development can be reliably measured.

(p) Equity instruments

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A tax incentive that is not a tax base of an asset is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

(r) Earnings per ordinary share

The Company presents basic earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

(s) Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. All operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Executive Director of the Company, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Company recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. PROPERTY, PLANT AND EQUIPMENT

	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings, structures and equipment RM'000	Motor vehicles RM'000	Work-in- progress RM'000	Total RM'000
Cost						
At 1 April 2020	95,538	351,099	55,457	6,904	22,900	531,898
Additions	-	13,342	2,887	437	25,872	42,538
Transfers	-	4,341	5,710	-	(10,051)	-
Disposals	-	(2,938)	(133)	(767)	-	(3,838)
Write-offs	-	(14,623)	(2,103)	(3)	-	(16,729)
At 31 March 2021/1 April 2021	95,538	351,221	61,818	6,571	38,721	553,869
Additions	284	26,109	5,458	466	2,126	34,443
Transfers	33,864	4,425	-	-	(38,289)	-
Transfer to intangible assets (Note 5)	-	-	-	-	(61)	(61)
Disposals	-	(10,928)	(235)	(338)	-	(11,501)
Write-offs	-	(12,679)	(1,019)	-	-	(13,698)
At 31 March 2022	129,686	358,148	66,022	6,699	2,497	563,052

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

3. PROPERTY, PLANT AND EQUIPMENT (continued)

	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings, structures and equipment RM'000	Motor vehicles RM'000	Work-in- progress RM'000	Total RM'000
Accumulated depreciation and impairment loss						
At 1 April 2020						
Accumulated depreciation	50,987	302,049	46,587	4,969	-	404,592
Depreciation for the year	1,391	24,506	3,102	590	-	29,589
Impairment loss	-	1,490	132	-	-	1,622
Disposals	-	(2,938)	(133)	(682)	-	(3,753)
Write-offs	-	(14,572)	(1,781)	(3)	-	(16,356)
At 31 March 2021/1 April 2021						
Accumulated depreciation	52,378	309,045	47,775	4,874	-	414,072
Accumulated impairment loss	-	1,490	132	-	-	1,622
	52,378	310,535	47,907	4,874	-	415,694
Depreciation for the year	2,025	21,894	3,563	633	-	28,115
Impairment loss	-	604	-	-	-	604
Reversal of impairment loss	-	(1,305)	(114)	-	-	(1,419)
Disposals	-	(10,572)	(227)	(236)	-	(11,035)
Write-offs	-	(11,762)	(890)	-	-	(12,652)
At 31 March 2022						
Accumulated depreciation	54,403	308,605	50,221	5,271	-	418,500
Accumulated impairment loss	-	789	18	-	-	807
	54,403	309,394	50,239	5,271	-	419,307
Carrying amounts						
At 1 April 2020	44,551	49,050	8,870	1,935	22,900	127,306
At 31 March 2021/1 April 2021	43,160	40,686	13,911	1,697	38,721	138,175
At 31 March 2022	75,283	48,754	15,783	1,428	2,497	143,745

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

4. RIGHT-OF-USE ASSETS

	Leasehold land RM'000	Buildings RM'000	Machine and equipment RM'000	Total RM'000
Cost				
At 1 April 2020	7,566	229	187	7,982
Derecognition	-	(92)	-	(92)
At 31 March 2021/1 April 2021/31 March 2022	7,566	137	187	7,890
Depreciation				
At 1 April 2020	1,783	62	28	1,873
Charge for the year	84	80	37	201
Derecognition	-	(73)	-	(73)
At 31 March 2021/1 April 2021	1,867	69	65	2,001
Charge for the year	84	45	38	167
At 31 March 2022	1,951	114	103	2,168
Carrying amounts				
At 1 April 2020	5,783	167	159	6,109
At 31 March 2020/1 April 2021	5,699	68	122	5,889
At 31 March 2022	5,615	23	84	5,722

The Company has a 99 years leasehold land which was reclassified as right-of-use asset as at 1 April 2019 from property, plant and equipment at the initial application of MFRS 16, Leases. The Company leases expatriates accommodation and photocopy machines that ran between 2 years and 5 years (2021: 2 years and 5 years). Lease payments for these assets remain constant throughout their lease terms.

4.1 Extension options

The lease of buildings contains extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. The extension options held are exercisable only by the Company and not by the lessor. The Company assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

	Lease liabilities recognised (discounted) RM'000	Potential future lease payments not included in lease liabilities (discounted) RM'000
Buildings	24	-

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

4. RIGHT-OF-USE ASSETS (continued)

4.2 Significant judgements and assumptions in relation to lease

The Company assessed at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Company consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Company also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Company first determines the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

5. INTANGIBLE ASSETS

	Software and licenses RM'000
Cost	
At 1 April 2020	9,000
Additions	114
At 31 March 2021/1 April 2021	9,114
Additions	174
Transfer from property, plant and equipment (Note 3)	61
At 31 March 2022	9,349
Amortisation	
At 1 April 2020	1,313
Amortisation for the year	2,263
At 31 March 2021/1 April 2021	3,576
Amortisation for the year	2,316
At 31 March 2022	5,892
Carrying amounts	
At 1 April 2020	7,687
At 31 March 2021/1 April 2021	5,538
At 31 March 2022	3,457

The software and licenses relates to the development cost for the Company's SAP global standard template ("SGST") system. This is to align with the Panasonic group business division's direction with the primary aim of standardising across its global entities and to enhance efficiency and optimal manufacturing management capabilities for future growth and agility to respond to market changes.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

6. INTEREST IN ASSOCIATED COMPANY

	2022 RM'000	2021 RM'000
At cost		
Unquoted shares	2,000	2,000
Share of post-acquisition reserves	113,058	111,971
Interest in associated company	115,058	113,971

Set out below is the associate of the Company as at 31 March 2022, and the associate has share capital consisting solely of ordinary shares, which are held directly by the Company.

Name of entity	Principal place of business/Country of incorporation	Nature of the relationship	Effective ownership interest and voting interest	
			2022	2021
Panasonic Malaysia Sdn. Bhd.	Malaysia	Associate	40%	40%

The Company holds a 40% (2021: 40%) equity interest in its associated company, Panasonic Malaysia Sdn. Bhd., a company incorporated in Malaysia. The principal activities of the associated company consist of:

- 1) sales of consumer electronic products, system solution products, life solutions products and energy products under the brand name Panasonic;
- 2) provision of liaison office services and coordination of Panasonic group shared services and advisory including human resources strategic management, information technology innovation, government and public relations related matters; and
- 3) provision of management support services on corporate planning and execution of business strategy covering sales, marketing promotion and design of Panasonic brand products within or outside Malaysia.

The investment in associated company over which the Company has significant influence (but no control over its operations) is accounted for using the equity method. The investment is initially recognised at cost and adjustment thereafter to include the Company's share of post-acquisition distributable and non-distributable reserves of the associated company.

(a) Summarised financial information for associated company

Set out below are the summarised financial information of Panasonic Malaysia Sdn. Bhd. which are accounted for using the equity method.

(i) Summarised statement of financial position of the associated company:

	2022 RM'000	2021 RM'000
<u>Current</u>		
Cash and cash equivalent	336,789	329,252
Other current assets (excluding cash)	204,690	210,646
Total current assets	541,479	539,898
Other current liabilities (including trade payables)	(296,700)	(307,349)
Total current liabilities	(296,700)	(307,349)
<u>Non-current</u>		
Assets	66,301	84,245
Liabilities	(23,754)	(31,648)
Net assets	287,326	285,146

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

6. INTEREST IN ASSOCIATED COMPANY (continued)

(a) Summarised financial information for associated company (continued)

(ii) Summarised statement of profit or loss and other comprehensive income of the associated company:

	2022 RM'000	2021 RM'000
Revenue	1,237,856	1,275,357
Cost of revenue	(904,382)	(923,116)
Gross profit	333,474	352,241
General and administrative expenses	(160,791)	(161,715)
Impairment loss on trade and other receivables	(1,777)	(2,204)
Selling and distribution expenses	(93,136)	(110,413)
Other operating expenses	(42,223)	(43,711)
Other operating income	17,323	23,685
Profit/(loss) from operations	52,870	57,883
Finance costs	(1,149)	(1,421)
Profit/(loss) before taxation	51,721	56,462
Taxation	(17,688)	(9,349)
Net profit/(loss) and total comprehensive income for the financial year	34,033	47,113
Gross dividends received from associate	12,741	3,185

(b) Reconciliation of net assets to carrying amount as at 31 March

	2022 RM'000	2021 RM'000
Company's share of net assets	114,930	114,059
Elimination of unrealised profits	128	(88)
Carrying amount in the statement of financial position	115,058	113,971

(c) Company's share of results for the year ended 31 March

	2022 RM'000	2021 RM'000
Company's share of net profit and total comprehensive income	13,828	20,284

d) Other information

	2022 RM'000	2021 RM'000
Cash dividends received by the Company	12,741	3,185

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

7. DEFERRED TAX ASSETS

Deferred tax assets and liabilities are set off when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	2022 RM'000	2021 RM'000
At 1 April 2021/2020	11,213	12,871
(Charged)/Credited to profit or loss		
- property, plant and equipment	(1,314)	73
- provisions	(98)	(932)
- others	954	(799)
	(458)	(1,658)
At 31 March 2022/2021	10,755	11,213

Recognised deferred tax assets

Deferred tax assets are attributable to the following:

	Assets		Liabilities		Net	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Property, plant and equipment	783	2,097	-	-	783	2,097
Provisions	9,929	10,027	-	-	9,929	10,027
Others	43	-	-	(911)	43	(911)
Net tax assets/(liabilities)	10,755	12,124	-	(911)	10,755	11,213

Movement in temporary differences during the year

	At 1.4.2020 RM'000	Recognised in profit or loss (Note 17) RM'000	At 31.3.2021/ 1.4.2021 RM'000	Recognised in profit or loss (Note 17) RM'000	At 31.3.2022 RM'000
Property, plant and equipment	2,024	73	2,097	(1,314)	783
Provisions	10,959	(932)	10,027	(98)	9,929
Others	(112)	(799)	(911)	954	43
	12,871	(1,658)	11,213	(458)	10,755

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8. INVENTORIES

	2022 RM'000	2021 RM'000
Raw materials	55,784	36,031
Work in progress	5,057	3,642
Finished goods	28,816	29,942
Consumable stores	148	17
	89,805	69,632
Recognised in profit or loss:		
Inventories recognised as cost of sales	760,494	790,965
Write-down to realisable value	81	713
Write-off of inventories	14,151	1,338
Reversal of write-down	(713)	(571)

The write-off of inventories includes write-off of unutilised inventories arising from termination of certain products lines and damaged inventories arising from the flood incident amounting to RM7,001,000 and RM7,150,000 respectively.

9. TRADE AND OTHER RECEIVABLES

	2022 RM'000	2021 RM'000
Trade receivables	418	385
Amount due from ultimate holding corporation	2,502	667
Amount due from associated company	20,183	22,893
Amounts due from related companies	66,483	73,375
	89,586	97,320
Other receivables	6,501	2,452
Deposits	1,037	1,190
Prepayments	3,503	3,256
	100,627	104,218

Credit terms given to trade receivables ranged from 30 to 60 days (2021: 30 to 60 days).

The balances due from ultimate holding corporation, associated company and related companies are in respect of trading transactions which are unsecured, interest free and have repayment terms ranging from 30 to 60 days (2021: 30 to 60 days) except for the amounts of RM2,205,000 (2021: RM2,384,000) which are in respect of non-trading transactions that are unsecured, interest free and repayable on demand.

The trade and other receivable balances, amount due from ultimate holding corporation, amount due from associated company and amounts due from related companies are within the stipulated credit period and there were no past due balances.

The currency exposure profile of trade receivables, amount due from ultimate holding corporation, amount due from associated company, amounts due from related companies, other receivables and deposits are as follows:

	2022 RM'000	2021 RM'000
Ringgit Malaysia	41,794	38,514
United States Dollar	52,667	59,135
Japanese Yen	2,663	2,423
Euro	-	890
	97,124	100,962

NOTES TO THE FINANCIAL STATEMENTS

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10. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	Nominal value	Assets RM'000	Liabilities RM'000
2022			
Non-hedging derivatives			
Derivatives at fair value through profit or loss	USD12,900,000	180	-
	YEN30,000,000	-	(45)
	SGD58,000	1	-
	EUR100,000	1	-
		182	(45)
2021			
Non-hedging derivatives			
Derivatives at fair value through profit or loss	USD10,129,000	-	(777)
	YEN109,000,000	-	(89)
	SGD76,000	2	-
	EUR220,700	8	-
		10	(866)

Non-hedging derivatives

The Company uses forward currency contracts to manage transaction exposures. These contracts are not designated as cash flow or fair value hedges.

Foreign currency forward contracts

Foreign currency forward contracts are entered into by the Company in currencies other than Ringgit Malaysia to manage exposure to fluctuations in foreign currency exchange rates on specific transactions. In general, the Company's policy is to enter into foreign currency forward contracts to mitigate foreign exchange risk of highly probable forecasted transactions, such as anticipated future export sales, purchases of equipment and raw materials, as well as payment on services and other related expenditure.

11. CASH AND CASH EQUIVALENTS

	2022 RM'000	2021 RM'000
Fixed deposits	340,000	380,000
Cash and bank balances	102,665	143,934
	442,665	523,934

The currency exposure profile of cash and cash equivalents is as follows:

	2022 RM'000	2021 RM'000
Ringgit Malaysia	361,847	406,595
United States Dollar	75,212	114,352
Japanese Yen	5,283	2,891
Euro	264	96
Singapore Dollar	59	-
	442,665	523,934

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11. CASH AND CASH EQUIVALENTS (continued)

Credit rating profiles of banks in which the deposits, cash and bank balances have been placed are as follows:

	2022 RM'000	2021 RM'000
- A1/A3	940	750
- Non-rated*	441,673	523,169
	442,613	523,919
Cash on hand	52	15
	442,665	523,934

* The fixed deposits, cash and bank balances are the funds placed with a related company, Panasonic Financial Centre (Malaysia) Sdn. Bhd. which is not rated. The credit rating profile of Panasonic Holdings Corporation (formerly known as Panasonic Corporation), the ultimate holding corporation of Panasonic Financial Centre (Malaysia) Sdn. Bhd. is rated Baa1 based on Moody's rating agency.

a) Fixed deposits

The fixed deposits are the placement of funds with a related company, Panasonic Financial Centre (Malaysia) Sdn. Bhd..

The weighted average interest rates of fixed deposits that were effective for the financial year are as follows:

	2022 %	2021 %
Ringgit Malaysia	2.08	2.34

The average maturity days of placement of funds with a related company is as follows:

	2022	2021
Ringgit Malaysia	90 days	90 days

The placement of funds in other currencies is on a daily call basis.

b) Cash and bank balances

Bank balances are deposits held on call with banks and a related company, Panasonic Financial Centre (Malaysia) Sdn. Bhd..

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12. SHARE CAPITAL

	Number of shares 2022 '000	Amount 2022 RM'000	Number of shares 2021 '000	Amount 2021 RM'000
Ordinary shares, issued and fully paid:				
At 1 April/31 March	60,746	60,746	60,746	60,746

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

13. PROVISION FOR LIABILITIES AND CHARGES

	Rework and recall cost RM'000	Warranty RM'000	Employee welfare scheme/ Mutual separation scheme RM'000	Retirement gratuity scheme RM'000	Foreign workers recruitment fees RM'000	Total RM'000
At 1 April 2020	7,046	2,242	1,191	540	1,113	12,132
Charged to profit or loss (Note 16)	(3,804)	447	4,042	136	2,080	2,901
Utilised during the financial year	(1,463)	(778)	(3,948)	-	(2,620)	(8,809)
Present value adjustments	-	-	-	(79)	-	(79)
At 31 March 2021/1 April 2021	1,779	1,911	1,285	597	573	6,145
Charged to profit or loss (Note 16)	(464)	443	6,380	97	-	6,456
Utilised during the financial year	(286)	(760)	(4,337)	-	(196)	(5,579)
Present value adjustments	-	-	-	(100)	-	(100)
At 31 March 2022	1,029	1,594	3,328	594	377	6,922
2021						
Current	1,779	1,911	1,285	-	573	5,548
Non-current	-	-	-	597	-	597
	1,779	1,911	1,285	597	573	6,145
2022						
Current	1,029	1,594	3,328	-	377	6,328
Non-current	-	-	-	594	-	594
	1,029	1,594	3,328	594	377	6,922

a) Rework and recall cost

As part of its quality control initiative, the Company has made a provision for rework and recall cost for certain products and undertake to inspect, repair or replace items that are found not performing up to the Company's quality standards, if any. A provision has been recognised at the financial year based on management's best estimate of the expenditure.

b) Warranty

The Company recognises the estimated liability on all products still under warranty at the reporting date. This provision is calculated based on actual sales. For products which have exceeded the warranty period, the Company will undertake to inspect, repair or replace the parts at an appropriate cost.

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13. PROVISION FOR LIABILITIES AND CHARGES (continued)

c) Employee welfare scheme/Mutual separation scheme

Employee welfare scheme and mutual separation scheme are schemes announced during the financial year to encourage voluntary redundancy. The total provision made as at year end is measured based on the number of employees who are expected to accept the offer.

d) Retirement gratuity scheme

The Company provides retirement gratuity for employees who have been in employment for a certain number of years. Upon official retirement, the employees shall receive a lump sum payment of RM1,000 per person as recognition of their service contribution to the Company. A provision has been recognised at the financial year end for expected gratuity payments based on the number of staff eligible under this scheme.

e) Foreign workers recruitment fees

As part of the Panasonic Holdings Corporation's (formerly known as Panasonic Corporation) global initiatives to increase corporate responsibilities towards foreign workers employed, the Company provides reimbursement of recruitment fees to existing and newly hired foreign workers. A provision has been recognised at the financial year end for the expected payments to the number of workers who are eligible.

14. TRADE AND OTHER PAYABLES

	2022 RM'000	2021 RM'000
Trade payables and accruals	101,603	100,876
Employee benefits	14,660	15,486
Amount due to ultimate holding corporation	2,277	1,846
Amount due to associated company	1,368	1,649
Amounts due to related companies	25,582	28,744
	145,490	148,601

The currency exposure profile of trade payables and accruals, employee benefits, amount due to ultimate holding corporation, amounts due to associated company and related companies are as follows:

	2022 RM'000	2021 RM'000
Ringgit Malaysia	113,069	114,500
United States Dollar	28,305	29,327
Japanese Yen	3,510	3,603
Thailand Baht	-	227
Singapore Dollar	46	266
Chinese Yuan	560	673
Others	-	5
	145,490	148,601

Credit terms of trade payables vary from 30 to 60 days (2021: 30 to 60 days).

The amounts due to ultimate holding corporation, associated company and related companies are in respect of trading transactions and are unsecured, interest free and RM9,387,000 (2021: RM9,625,000) which are in respect of non-trading transactions that are unsecured, interest free and repayable on demand.

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15. REVENUE

	Note	2022 RM'000	2021 RM'000
Revenue from contracts with customers			
- sales of goods	15.2	868,776	974,558

15.1 Disaggregation of revenue

	2022 RM'000	2021 RM'000
Major products lines		
Living appliances and solutions	306,459	368,915
Heating and ventilation A/C	560,859	605,481
Dies and mould	1,458	162
	868,776	974,558

15.2 Sales of goods

Revenue is recognised when control of the goods or services is transferred to the customer. The performance obligation is satisfied at a point in time and the customers are required to pay within the agreed credit terms, ranging between 30 to 90 days (2021: 30 to 90 days). Assurance warranties of 1 year are given to customers.

16. PROFIT BEFORE TAX

	Note	2022 RM'000	2021 RM'000
Profit before tax is arrived at after charging/(crediting):			
Auditors' remuneration:			
- fees for statutory audit		222	233
- fees for audit related services		10	10
Directors' remuneration	25(e)	2,784	2,681
Direct material cost		570,706	589,684
Amortisation of intangible assets	5	2,316	2,263
Property, plant and equipment:			
- depreciation	3	28,115	29,589
- write-off	3	1,046	373
- gain on disposal		(443)	(126)
- impairment loss	3	604	1,622
- reversal of impairment	3	(1,419)	-
Depreciation of right-of-use assets	4	167	201
Staff costs:			
- salaries, bonus and other employee benefits		120,529	126,907
- defined contribution retirement plan		11,172	11,224
		131,701	138,131

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16. PROFIT BEFORE TAX (continued)

	Note	2022 RM'000	2021 RM'000
Technical assistance fees		24,975	28,203
Research expenses		26,843	28,470
Fair value gain on derivative financial instruments		(993)	(207)
Foreign exchange:			
- net realised (gain)/loss		(209)	8,125
- net unrealised loss/(gain)		180	(3,796)
Provision of liabilities and charges	13	6,456	2,901
Interest income		(7,957)	(10,287)
Insurance compensation income		(12,056)	-
Losses arising from flood incident			
- write-off of damaged inventories		7,150	-
- facilities repairing		2,031	-
Expenses arising from leases:			
Finance cost of lease liabilities		5	9
Expenses relating to short-term lease		1,354	1,259
Expenses relating to low value lease		30	26

17. TAX EXPENSE

	2022 RM'000	2021 RM'000
Current tax expense		
- current year	2,001	16,403
- (over)/under provision in prior year	(933)	636
	1,068	17,039
Deferred tax expense		
- origination and reversal of temporary differences	(586)	1,046
- over provision of deferred tax benefit in prior year	1,044	612
	1,526	18,697
Reconciliation of tax expense		
Profit before tax	53,037	135,151
Tax at Malaysian tax rate of 24%	12,729	32,436
Tax effect of		
- profit not taxable	(2,337)	(4,953)
- tax incentives	(8,977)	(10,034)
- (over)/under provision of current tax expense in prior year	(933)	636
- over provision of deferred tax benefit in prior year	1,044	612
	1,526	18,697

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18. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March 2022 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	2022	2021
Net profit for the financial year attributable to equity holders (RM'000)	51,511	116,454
Weighted average number of ordinary shares in issue during the financial year ('000)	60,746	60,746
Basic earnings per share (sen)	85	192

19. DIVIDENDS

Dividends recognised by the Company are as follows:

	Sen per share	Total amount RM'000	Date of payment
2022			
Interim single tier dividend 2022			
- Interim single tier dividend	15	9,112	21 January 2022
Final single tier dividend 2021			
- Final single tier dividend	148	89,904	23 September 2021
2021			
Interim single tier dividend 2021			
- Interim single tier dividend	15	9,112	22 January 2021
Final single tier dividend 2020			
- Final single tier dividend	183	111,165	25 September 2020

After the end of the reporting period, the following dividends were proposed by the Directors. These dividends will be recognised in subsequent financial period upon approval by the owners of the Company.

	Sen per share	Total amount RM'000
Final single tier dividend 2022	68	41,307

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20. OPERATING SEGMENTS

Management has determined the operating segments based on the information reviewed by the Chief Operating Decision-maker ("CODM") for the purposes of allocating resources and assessing performance. The CODM considers the business from product perspective and assesses the performance of the operating segments based on a measure of profit before taxation as included in the internal management reports. Segment profit before taxation is used to measure performance as management believes that such information is the most relevant in evaluating the results of the operating segments within the Company.

In line with the announcement by Panasonic Holdings Corporation ("PHC") (formerly known as Panasonic Corporation ("PC")), its ultimate holding corporation, the current business structure had changed on 1 October 2021. This is in preparation for the transition of PHC to a holding system and to reorganise the Panasonic group into a new structure. The new structure will cause the composition of its reportable segments to change, the changes are reflected in segmental reporting as follows:

No.	Before	Current
1	Home appliances products	Living appliances and solutions
2	Fan products	Heating and ventilation A/C

The segmental reporting notes for the previously reported segment information has been restated to be consistent with current year's presentation.

The segment information provided to the CODM for the operating segments for the financial year ended 31 March 2022 is as follows:

	Living appliances and solutions		Heating and ventilation A/C		Consolidated	
	2022 RM'000	2021 RM'000 Restated	2022 RM'000	2021 RM'000 Restated	2022 RM'000	2021 RM'000
Revenue	306,459	368,915	560,859	605,481	867,318	974,396
Interest income	2,425	3,430	5,380	7,766	7,805	11,196
Depreciation	(3,416)	(4,906)	(16,906)	(19,165)	(20,322)	(24,071)
Profit before taxation	3,386	50,111	32,996	76,893	36,382	127,004
Cash and cash equivalents	107,829	142,973	252,779	300,531	360,608	443,504
Inventories	20,454	23,022	69,203	46,595	89,657	69,617

Revenue of approximately RM867mil (2021: RM972mil) within both segments are derived from the Panasonic group of companies as disclosed in Note 25 to the financial statements.

	2022 RM'000	2021 RM'000
Profit before taxation		
Total profit before taxation of the operating segments	36,382	127,004
Other unallocated income/(expense)	2,827	(12,137)
Share of results of associated company (net of tax)	13,828	20,284
Total profit before taxation based on the statement of profit or loss and other comprehensive income	53,037	135,151
Cash and cash equivalents		
Total cash and cash equivalents of the operating segments	360,608	443,504
Other unallocated cash and cash equivalents	82,057	80,430
Total cash and cash equivalents based on the statement of financial position	442,665	523,934

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20. OPERATING SEGMENTS (continued)

	2022 RM'000	2021 RM'000
Inventories		
Total inventories of the operating segments	89,657	69,617
Other unallocated inventories	148	15
Total inventories based on the statement of financial position	89,805	69,632

All property, plant and equipment are located in Malaysia.

The amounts provided to the CODM are measured in a manner consistent with that of the financial statements.

Geographical information

Revenue information based on geographical location is as follows:

	2022 RM'000	2021 RM'000
Malaysia	307,320	344,012
Japan	34,815	40,198
Asia (excluding Malaysia and Japan)	315,593	343,958
Europe	4,061	6,767
Middle East	188,132	216,814
Others	18,855	22,809
	868,776	974,558

Major customers

The following are major customers with revenue equal or more than 10% of the Company's total revenue:

	Revenue		Segment
	2022 RM'000	2021 RM'000	
- Panasonic Logistic Asia Pacific	321,851	376,252	Living appliances and solutions and heating and ventilation A/C
- Panasonic Malaysia Sdn. Bhd.	203,553	219,403	Living appliances and solutions and heating and ventilation A/C
- Panasonic Life Solutions (Hong Kong) Co. Ltd.	192,075	240,259	Living appliances and solutions and heating and ventilation A/C
- KDK Fans (M) Sdn. Bhd.	102,125	123,091	Heating and ventilation A/C

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21. FINANCIAL INSTRUMENTS

21.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Fair value through profit or loss - Designated upon initial recognition ("FVTPL"); and

(b) Amortised cost ("AC")

	Carrying amount RM'000	AC RM'000	FVTPL RM'000	Total RM'000
2022				
Financial assets				
Trade and other receivables				
excluding prepayments	97,124	97,124	-	97,124
Derivative financial instruments	182	-	182	182
Cash and cash equivalents	442,665	442,665	-	442,665
	539,971	539,789	182	539,971
Financial liabilities				
Trade and other payables	(145,490)	(145,490)	-	(145,490)
Derivative financial instruments	(45)	-	(45)	(45)
	(145,535)	(145,490)	(45)	(145,535)
2021				
Financial assets				
Trade and other receivables				
excluding prepayments	100,962	100,962	-	100,962
Derivative financial instruments	10	-	10	10
Cash and cash equivalents	523,934	523,934	-	523,934
	624,906	624,896	10	624,906
Financial liabilities				
Trade and other payables	(148,601)	(148,601)	-	(148,601)
Derivative financial instruments	(866)	-	(866)	(866)
	(149,467)	(148,601)	(866)	(149,467)

21.2 Net gains and losses arising from financial instruments

	2022 RM'000	2021 RM'000
Net gains/(losses) on:		
Financial assets measured at amortised cost	9,227	4,402
Financial liabilities measured at amortised cost	(248)	1,763
	8,979	6,165

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21. FINANCIAL INSTRUMENTS (continued)

21.3 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

21.4 Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from its receivables from customers, and deposits with related company.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management monitors the exposure to credit risk on an ongoing basis. Credit evaluations are required to be performed on new customers.

Credit risks are controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised by monitoring receivables regularly. In addition, credit risks are also controlled as majority of the Company's derivative financial instruments are placed or transacted with Panasonic Financial Centre (Malaysia) Sdn. Bhd., a company incorporated in Malaysia, which is a related company of the Company. The likelihood of non-performance by the related company is remote on the basis of their financial strength.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

The Company does not require collateral in respect of receivables and considers the risk of material loss from non-performance on the part of counter-parties to be negligible.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Company manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 days. The Company's debt recovery process is above 180 days past due after credit term, the Company will start to initiate a structured debt recovery process which is monitored by the treasury team.

The Company uses an allowance matrix to measure expected credit losses ("ECL") of trade receivables. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past two years. The Company also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Company's view of economic conditions over the expected lives of the receivables. Nevertheless, the Company believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 March 2022 which are grouped together as they are expected to have similar risk nature.

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21. FINANCIAL INSTRUMENTS (continued)

21.4 Credit risk (continued)

Trade receivables (continued)

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2022			
Current (not past due)	87,381	-	87,381
2021			
Current (not past due)	94,936	-	94,936

No impairment loss has been made on these amounts as the Company is closely monitoring these receivables and are confident of their eventual recovery.

The credit quality of the trade receivables, amount due from associated company, amount due from related companies that are not past due and not impaired can be assessed by reference to historical analysis of the period of time for which they have been the Company's customers.

	2022 RM'000	2021 RM'000
Group 1	-	-
Group 2	87,381	94,936

Group 1 - Customers with no history of default and who have been within the Group of less than 1 year.

Group 2 - Customers with no history of default and who have been with the Group of more than 1 year.

The fair value of the trade receivables approximates their carrying value. Hence, the impact of discounting is not significant.

Deposits with related company

Risk management objectives, policies and processes for managing the risk

The Company's cash and cash equivalents are deposited with related company. Majority of the Company's deposits, bank balances and derivative financial instruments are placed or transacted with Panasonic Financial Centre (Malaysia) Sdn. Bhd., a company incorporated in Malaysia, which is a related company of the Company.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk is represented by the carrying amounts of cash and cash equivalents in the statement of financial position. Management does not expect any counterparty to fail to meet its obligations in respect of these deposits.

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21. FINANCIAL INSTRUMENTS (continued)

21.5 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet the obligations as and when they fall due. The Company manages its liquidity risk with the view to maintaining a healthy level of cash and cash equivalents appropriate to the operating environment and expected cash flows of the Company.

The primary tool for monitoring liquidity is the statement of cash flows of the Company. All investments must therefore be authorised and be within the planned investment budget prior to any confirmation to invest. Purchases of merchandise for the stocks-in-trade are reviewed, analysed and subsequent inventory holdings must be within the limits as stipulated in the approved Business Plan. All liquid cash are deposited in short-term time deposits with Panasonic Financial Centre (Malaysia) Sdn. Bhd., a company incorporated in Malaysia, which is a related company of the Company.

Maturity analysis

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2022							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	145,490	-	145,490	145,490	-	-	-
Lease liabilities	112	3.49	116	65	41	10	-
<i>Derivative financial liabilities/(assets)</i>							
Forward exchange contracts (gross settled):	(137)						
Outflow	-	-	53,493	53,493	-	-	-
Inflow	-	-	(53,630)	(53,630)	-	-	-
	145,465		145,469	145,418	41	10	-
2021							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	148,601	-	148,601	148,601	-	-	-
Lease liabilities	195	3.49	205	89	65	51	-
<i>Derivative financial liabilities/(assets)</i>							
Forward exchange contracts (gross settled):	856						
Outflow	-	-	38,832	38,832	-	-	-
Inflow	-	-	(37,976)	(37,976)	-	-	-
	149,652		149,662	149,546	65	51	-

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21. FINANCIAL INSTRUMENTS (continued)

21.6 Market risk

Market risk is the risk that changes in market prices such as interest rates and foreign exchange rates will affect the Company's financial position or cash flows.

21.6.1 Currency risk

Risk management objectives, policies and processes for managing the risk

The Company is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the Ringgit Malaysia ("RM"). The currencies that give rise to this risk are primarily United States Dollar ("USD"), Japanese Yen ("JPY"), Singapore Dollar ("SGD"), Euro, Chinese Yuan ("CNY") and Thai Baht ("THB").

The Company uses derivative financial instruments such as foreign exchange contracts to cover certain exposures. It does not trade in financial instruments. Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company uses forward contracts which are transacted with a related company, Panasonic Financial Centre (Malaysia) Sdn. Bhd. to mitigate foreign exchange risk of highly probable forecasted transactions, such as anticipated future export sales, purchase of equipment and raw materials, as well as payment of services and other related expenditures.

The Company's currency exposure is disclosed in the respective notes for all items of financial assets and liabilities.

Currency risk sensitivity analysis

The following table demonstrates the sensitivity of the USD, JPY, SGD, Euro, CNY and THB had changed against Ringgit Malaysia by a reasonable possible change as of 31 March 2022 of 2.94% (2021: 7.65%) respectively with all other variables including tax rate being held constant, post-tax profit of the Company would have been changed as a result of foreign exchange gains/(losses).

	2022		2021	
	Strengthen RM'000	Weaken RM'000	Strengthen RM'000	Weaken RM'000
United States Dollar	2,926	(2,926)	11,028	(11,028)
Japanese Yen	134	(134)	129	(129)
Singapore Dollar	1	(1)	(20)	20
Euro	8	(8)	75	(75)
Chinese Yuan	(16)	16	(51)	51
Thai Baht	-	-	(17)	17

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21. FINANCIAL INSTRUMENTS (continued)

21.6 Market risk (continued)

21.6.2 Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Company's deposits placed with a related company, Panasonic Financial Centre (Malaysia) Sdn. Bhd..

Risk management objectives, policies and processes for managing the risk

The Company's surplus funds are placed as short-term deposits with a related company, Panasonic Financial Centre (Malaysia) Sdn. Bhd..

Exposure to interest rate risk

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2022 RM'000	2021 RM'000
Fixed rate instruments		
Financial assets	340,000	380,000

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company does not designate derivatives as hedging instruments under a fair value hedged accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

21.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these instruments. Accordingly, the fair values and fair value hierarchy levels have not been presented for these instruments.

It was not practicable to estimate the fair value of the Company's investment in unquoted shares due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

21. FINANCIAL INSTRUMENTS (continued)

21.7 Fair value information (continued)

The table below analyses financial instruments carried at fair value.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
2022					
Financial asset					
Derivative financial instruments:					
- forward foreign currency exchange contracts	-	182	-	182	182
Financial liability					
Derivative financial instruments:					
- forward foreign currency exchange contracts	-	(45)	-	(45)	(45)
2021					
Financial asset					
Derivative financial instruments:					
- forward foreign currency exchange contracts	-	10	-	10	10
Financial liability					
Derivative financial instruments:					
- forward foreign currency exchange contracts	-	(866)	-	(866)	(866)

Level 2 fair value

Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

22. CAPITAL MANAGEMENT

The Company's objectives when managing capital is to maintain an optimal capital structure and safeguard the Company's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as results from operating activities divided by total shareholders' equity.

There were no changes in the Company's approach to capital management during the year.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

23. CAPITAL AND OTHER COMMITMENTS

	2022 RM'000	2021 RM'000
Approved by the Board but not provided for in the financial statements:		
- Contracted	3,480	26,801
Analysed as follows:		
- Property, plant and equipment	3,480	26,801

24. CONTINGENCY

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	2022 RM'000	2021 RM'000
Contingent liabilities not considered remote		
<i>Litigation</i>		
In 2021, the Company was defending an action brought by its sub-contractor from Malaysia. While liability is not admitted, if defence against the action is unsuccessful, then claims and legal costs could amount to RM9,582,000. Based on legal advice, the Directors do not expect the outcome of the action to have a material effect on the Company's financial position.		
The case was struck out by High Court on 6 October 2021.	-	9,582

In the Directors' opinion, disclosure of any further information about the above matter would be prejudicial to the interests of the Company.

25. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel includes all the Directors of the Company and certain members of senior management of the Company.

The Company has related party relationship with its holding corporation, significant investors, subsidiaries and associates related to its holding corporation and key management personnel.

(a) Associated company and ultimate holding corporation

The associated company is Panasonic Malaysia Sdn. Bhd., a company incorporated in Malaysia. The ultimate holding corporation is Panasonic Holdings Corporation (formerly known as Panasonic Corporation), a corporation incorporated in Japan.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

25. RELATED PARTIES (continued)

Identity of related parties (continued)

(b) Related party relationships

Related party	Relationship
Panasonic Holdings Corporation ("PHC") (formerly known as Panasonic Corporation ("PC"))	Ultimate holding corporation
Panasonic Management Malaysia Sdn. Bhd. ("PMAM")	Immediate holding company
Panasonic Malaysia Sdn. Bhd. ("PM")	Associated company
KDK Fans (M) Sdn. Bhd. ("KDK")	Subsidiary of PHC
Panasonic Financial Centre (Malaysia) Sdn. Bhd. ("PFI(MY)")	Subsidiary of PHC
Panasonic Asia Pacific Pte. Ltd. ("PA")	Subsidiary of PHC
Panasonic Ecology Systems Co., Ltd. ("PES")	Subsidiary of PHC
Panasonic Ecology Systems (Thailand) Co., Ltd. ("PESTH")	Subsidiary of PHC
P.T. Panasonic Manufacturing Indonesia ("PMI")	Subsidiary of PHC
Panasonic A.P. Sales (Thailand) Co., Ltd. ("PAT")	Subsidiary of PHC
Panasonic Home Appliance India Co., Ltd. ("PHAI")	Subsidiary of PHC
Panasonic Vietnam Co., Ltd. ("PV")	Subsidiary of PHC
Panasonic Energy Malaysia Sdn. Bhd. ("PECMY")	Subsidiary of PHC
Panasonic Marketing Sales Taiwan Co.	Subsidiary of PHC
Panasonic Hong Kong Co., Ltd. ("PHK")	Subsidiary of PHC
Panasonic Industrial Devices Automation Controls Sales Asia Pacific ("PIDACSAP")	Subsidiary of PHC
Panasonic Ecology Systems (Hong Kong) Co., Ltd. ("PESHK") (formerly known as Panasonic Life Solutions (Hong Kong) Co. Ltd. ("PLSHK"))	Subsidiary of PHC
Panasonic Appliances (Thailand) Co., Ltd. ("PAPTH")	Subsidiary of PHC
Panasonic Electric Works Co., Ltd.	Subsidiary of PHC
Panasonic Electronic Works (Asia Pacific) Pte. Ltd.	Subsidiary of PHC
Panasonic Industrial Devices Semiconductor Asia Pte. Ltd.	Subsidiary of PHC
Panasonic Holdings Corporation's Corporate Manufacturing Innovation Division ("CIMD")	Subsidiary of PHC
Panasonic Systems Asia Pacific ("PSY")	Subsidiary of PHC
Panasonic Marketing Middle East and Africa FZE ("PMMAF")	Subsidiary of PHC
Panasonic Appliances R&D Centre Asia Pacific Sdn. Bhd. ("PAPRADAP")	Subsidiary of PHC
Panasonic Singapore ("PSP")	Subsidiary of PHC
Panasonic AVC Networks Johor (M) Sdn. Bhd. ("PAVCJM")	Subsidiary of PHC
Panasonic AVC Networks KL (M) Sdn. Bhd. ("PAVCKM")	Subsidiary of PHC
Panasonic Appliances Foundry Malaysia Sdn. Bhd. ("PAPFMT")	Subsidiary of PHC
Panasonic Appliances Refrigeration Devices Malaysia Sdn. Bhd. ("PAPRDMY")	Subsidiary of PHC
Panasonic System Networks (M) Sdn. Bhd. ("PSNM")	Subsidiary of PHC
Panasonic Liquid Crystal Display Malaysia Sdn. Bhd. ("PLDM")	Subsidiary of PHC
Panasonic Appliances Air-Conditioning Malaysia Sdn. Bhd. ("PAPAMY")	Subsidiary of PHC
Panasonic (CIS) OY ("PMCIS")	Subsidiary of PHC

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

25. RELATED PARTIES (continued)

Identity of related parties (continued)

(b) Related party relationships (continued)

Related party	Relationship
Panasonic Procurement Malaysia Sdn. Bhd. ("PPMY")	Subsidiary of PHC
Panasonic Logistics Asia Pacific ("PLAP")	Subsidiary of PHC
Panasonic Production Engineering Co., Ltd. ("PSD")	Subsidiary of PHC
Panasonic Solutions (Thailand) Co., Ltd. ("PSTH") (formerly known as Panasonic Life Solutions Sales (Thailand) Co., Ltd. ("PLSTH"))	Subsidiary of PHC
Panasonic Industrial Devices Vietnam Co., Ltd ("PIDVN")	Subsidiary of PHC
Panasonic Electric Works Vietnam Co., Ltd. ("PLSVN") (formerly known as Panasonic Life Solutions Vietnam Co., Ltd. ("PLSVN"))	Subsidiary of PHC

(c) Significant related party transactions

	2022 RM'000	2021 RM'000
(i) Sales of products and related components to related parties:		
- Panasonic Logistic Asia Pacific	318,968	373,983
- Panasonic Malaysia Sdn. Bhd.	201,236	217,199
- KDK Fans (M) Sdn. Bhd.	101,693	122,682
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	191,519	239,872
- Panasonic Electric Works Vietnam Co., Ltd.	25,044	-
- Panasonic Procurement Malaysia Sdn. Bhd.	7,636	4,653
- P.T. Panasonic Manufacturing Indonesia	7,106	7,405
- Panasonic Solutions (Thailand) Co., Ltd.	419	395
- Panasonic Appliances R&D Asia Pacific Sdn. Bhd.	429	648
- Panasonic Holdings Corporation. (formerly known as Panasonic Corporation)	5,182	-
- Panasonic Ecology Systems Co., Ltd.	1,002	-
(ii) Sales of service parts to related parties:		
- Panasonic Malaysia Sdn. Bhd.	2,317	2,204
- Panasonic Logistic Asia Pacific	2,883	2,268
- KDK Fans (M) Sdn. Bhd.	432	409
- P.T. Panasonic Manufacturing Indonesia	6	1
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	556	387
- Panasonic Procurement Malaysia Sdn. Bhd.	4	-
(iii) Rental for lease office to related parties:		
- Panasonic Appliances R&D Asia Pacific Sdn. Bhd.	2,934	3,101
(iv) Provision of services for Accounting & Treasury, HR services, and IT support services to related parties:		
- Panasonic Appliances R&D Asia Pacific Sdn. Bhd.	192	202

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

25. RELATED PARTIES (continued)

Identity of related parties (continued)

(c) Significant related party transactions (continued)

	2022 RM'000	2021 RM'000
(v) Purchase of parts, components and raw materials from related parties:		
- Panasonic Procurement Malaysia Sdn. Bhd.	214,293	201,663
- Panasonic Holdings Corporation (formerly known as Panasonic Corporation)	12,161	11,073
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	18,977	18,662
- Panasonic Industrial Devices Malaysia Sdn. Bhd.	13	9
- Panasonic Industrial Devices Singapore Pte. Ltd.	159	294
- Panasonic Industrial Devices Semiconductor Asia Pte. Ltd.	-	11
- P.T. Panasonic Manufacturing Indonesia	324	292
- Panasonic Hong Kong Co., Ltd.	19	12
- Panasonic Ecology System (Thailand) Co., Ltd.	342	479
- Panasonic System Networks Malaysia	9,804	3,461
- Panasonic Ecology Systems Co., Ltd.	6	4
(vi) Technical assistance fee paid and payable to related parties:		
- Panasonic Holdings Corporation (formerly known as Panasonic Corporation)	12,119	13,745
- Panasonic Ecology Systems Co., Ltd.	12,856	14,458
(vii) Interest income received and receivable from a related party:		
- Panasonic Financial Centre (Malaysia) Sdn. Bhd.	7,957	10,287
(viii) Sales promotion, warranty claims and/or service expenses paid and payable to related parties:		
- Panasonic Malaysia Sdn. Bhd.	2,091	3,919
- Panasonic A.P. Sales (Thailand) Co., Ltd.	984	1,215
- Panasonic Holdings Corporation (formerly known as Panasonic Corporation)	1,141	1,633
- KDK Fans (M) Sdn. Bhd.	1,647	1,535
- PT Panasonic Gobel Indonesia	607	732
- Other related companies	481	1,097
(ix) Research and development expenditure paid and payable to related parties:		
- Panasonic Holdings Corporation (formerly known as Panasonic Corporation)	272	46
- Panasonic Appliances R&D Centre Asia Pacific Sdn. Bhd.	24,595	25,291
(x) Brand license fee paid and payable to related party:		
- Panasonic Ecology Systems Co., Ltd.	1,871	2,245
(xi) IT annual maintenance and support fees payable to related parties:		
- Panasonic Holdings Corporation (formerly known as Panasonic Corporation)	3,691	3,255
- Panasonic Procurement Malaysia Sdn. Bhd.	629	1,007
(xii) Purchase of fixed assets from related parties:		
- Panasonic Holdings Corporation (formerly known as Panasonic Corporation)	499	1
- Panasonic Life Solutions Malaysia Sdn. Bhd.	434	7,950
- Other related companies	190	467

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

25. RELATED PARTIES (continued)

Identity of related parties (continued)

(c) Significant related party transactions (continued)

	2022 RM'000	2021 RM'000
(xiii) Manufacturing innovation services received and receivable from a related party: - Panasonic Holdings Corporation's Corporate Manufacturing Innovation Division	2,367	2,430
(xiv) Service fees paid and payable to related parties: - Panasonic Asia Pacific Pte Ltd	530	590
- Panasonic Management Malaysia Sdn. Bhd.	673	745
- Other related companies	699	234
(xv) Repair fee paid and payable to related parties: - Other related companies	98	249
(xvi) Bonded warehouse rental paid and payable to related party: - Panasonic Procurement Malaysia Sdn. Bhd.	342	324

(d) Significant outstanding related party balances

Significant outstanding balances at reporting date arising from trade and non-trade transactions with related parties during the financial year are as follows:

	2022 RM'000	2021 RM'000
Amount due to:		
- Panasonic Holdings Corporation (formerly known as Panasonic Corporation)	2,277	1,845
- Panasonic Malaysia Sdn. Bhd.	1,368	1,649
- Panasonic Procurement Malaysia Sdn. Bhd.	18,200	19,223
- Panasonic Vietnam Co. Ltd.	29	-
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	243	2,225
- Panasonic Appliances R&D Centre Asia Pacific Sdn. Bhd.	4,818	3,246
- Panasonic A.P. Sales (Thailand) Co., Ltd.	-	227
- Other related companies	2,292	3,824
	29,227	32,239
Amount due from:		
- Panasonic Holdings Corporation (formerly known as Panasonic Corporation)	2,502	667
- Panasonic Malaysia Sdn. Bhd.	20,183	22,893
- Panasonic Logistic Asia Pacific	23,580	25,096
- Panasonic Ecology Systems (Hong Kong) Co., Ltd.	20,419	35,948
- KDK Fans (M) Sdn. Bhd.	12,697	10,196
- Panasonic Financial Centre (Malaysia) Sdn. Bhd.	827	955
- Panasonic Electric Works Vietnam Co., Ltd.	6,343	-
- Other related companies	2,617	1,180
	89,168	96,935

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

25. RELATED PARTIES (continued)

Identity of related parties (continued)

(e) Key management personnel compensation

The aggregate amounts of remuneration received or receivable by Directors and other members of key management personnel of the Company during the financial year are as follows:

	2022 RM'000	2021 RM'000
Directors' fees and meeting allowance	778	557
Salaries, allowance, bonus and other remuneration	14,248	13,646
Defined contribution retirement plan	678	655
	15,704	14,858

The aggregate amounts of emoluments receivable by Directors of the Company during the financial year are as follows:

	2022 RM'000	2021 RM'000
Non-Executive Directors:		
- fees	683	487
- others	95	70
Executive Directors:		
- salaries, bonus and other remuneration	1,841	1,963
- defined contribution retirement plan	165	161
	2,784	2,681

The estimated monetary value of benefits provided to Executive Directors during the financial year amounted to RM49,600 (2021: RM38,779).

The estimated monetary value of benefits provided to Executive Directors and other members of key management personnel during the financial year amounted to RM546,652 (2021: RM631,301).

Included in key management personnel compensation is the Executive Directors' remuneration of RM2,005,946 (2021: RM2,124,200).

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

26. SUPPLEMENTARY INFORMATION

The Company adopted Amendments to MFRS 127, Equity Method in Separate Financial Statements in financial year ended 31 March 2018. With the adoption of MFRS 127, Equity Method in Separate Financial Statements, the investment in associate is accounted for in the Company's financial statements using equity method less any impairment losses, unless it is classified as held for sales or distribution.

For additional information purposes, enclosed below are the Company's financial information before the results of the investment in associate:

(i) Statement of financial position as at 31 March 2022

	2022 RM'000	2021 RM'000
Assets		
Property, plant and equipment	143,745	138,175
Right-of-use assets	5,722	5,889
Intangible assets	3,457	5,538
Interest in associated company	2,000	2,000
Deferred tax assets	10,755	11,213
Total non-current assets	165,679	162,815
Inventories	89,805	69,632
Trade and other receivables	100,627	104,218
Current tax assets	5,766	-
Derivative financial assets	182	10
Cash and cash equivalents	442,665	523,934
Total current assets	639,045	697,794
Total assets	804,724	860,609
Equity		
Share capital	60,746	60,746
Retained earnings	591,409	640,001
Total equity	652,155	700,747
Liabilities		
Provision for liabilities and charges	594	597
Lease liabilities	50	112
Total non-current liabilities	644	709
Trade and other payables	145,490	148,601
Provision for liabilities and charges	6,328	5,548
Derivative financial liabilities	45	866
Lease liabilities	62	83
Taxation	-	4,055
Total current liabilities	151,925	159,153
Total liabilities	152,569	159,862
Total equity and liabilities	804,724	860,609

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

Corporate Overview	<
Business Review	<
Governance	<
Financial Statements	<
Additional Information	<

26. SUPPLEMENTARY INFORMATION (continued)

(ii) Statement of profit or loss and other comprehensive income for the year ended 31 March 2022

	2022 RM'000	2021 RM'000
Revenue	868,776	974,558
Cost of sales	(774,013)	(792,445)
Gross profit	94,763	182,113
Other operating income	19,523	6,410
Dividend income	12,741	3,185
Distribution and marketing cost	(40,151)	(38,778)
Administrative expenses	(35,927)	(35,621)
Other operating expenses	(6,951)	(9,535)
Results from operating activities	43,998	107,774
Finance costs	(5)	(9)
Finance income	7,957	10,287
Profit before tax	51,950	118,052
Tax expense	(1,526)	(18,697)
Profit for the year and total comprehensive income for the year	50,424	99,355
Basic earnings per ordinary share (sen)	83	164

(iii) Statement of changes in equity for the year ended 31 March 2022

	Share capital RM'000	Distributable Retained earnings RM'000	Total equity RM'000
At 1 April 2020	60,746	660,923	721,669
Total profit and comprehensive income for the year	-	99,355	99,355
Contributions by and distributions to owners of the Company			
Dividends			
- Final dividend for the financial year ended 31 March 2020	-	(111,165)	(111,165)
- Interim dividend for the financial year ended 31 March 2021	-	(9,112)	(9,112)
Total transactions with owners of the Company	-	(120,277)	(120,277)
At 31 March 2021/1 April 2021	60,746	640,001	700,747
Total profit and comprehensive income for the year	-	50,424	50,424
Contributions by and distributions to owners of the Company			
Dividends			
- Final dividend for the financial year ended 31 March 2021	-	(89,904)	(89,904)
- Interim dividend for the financial year ended 31 March 2022	-	(9,112)	(9,112)
Total transactions with owners of the Company	-	(99,016)	(99,016)
At 31 March 2022	60,746	591,409	652,155

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 76 to 125 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 March 2022 and of its financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Dato' Azman bin Mahmud

Director

Kenji Kamada

Director

Kuala Lumpur

Date: 31 May 2022

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Kwan Wai Yue, the Director primarily responsible for the financial management of Panasonic Manufacturing Malaysia Berhad, do solemnly and sincerely declare that the financial statements set out on pages 76 to 125 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Kwan Wai Yue, MIA CA 10188, at Petaling Jaya in the State of Selangor on 31 May 2022.

Kwan Wai Yue

Before me:

Loh Pei Xuan

Pesuruhjaya Sumpah

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PANASONIC MANUFACTURING MALAYSIA BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Panasonic Manufacturing Malaysia Berhad, which comprise the statement of financial position as at 31 March 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 76 to 125.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2022, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

i) Carrying amount of inventories

Refer to Note 2(g) and Note 8 – Inventories.

The key audit matter

The Company held significant inventory balances as at 31 March 2022 of RM89,805,000. There is a risk over the valuation of inventories due to possible slow moving and obsolete inventories. Slow moving inventories may be due to items that are generally not fast moving such as replacement parts for the upkeep of the products sold. Obsolete inventories may be due to phasing out of older models or inventories that are no longer saleable. The valuation of inventories is a key audit matter because of the judgement involved in assessing the level of inventory allowance required.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We tested the design and implementation of controls over the identification of slow moving inventories and obtained an understanding of the Company's process for measuring the amount of write down required and tested the appropriateness of the costing of inventories.
- We tested net realisable values to the selling prices.
- We compared the cost of the different lines of inventory against net realisable value, to determine if the carrying amount of inventory was overstated.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PANASONIC MANUFACTURING MALAYSIA BERHAD
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Key Audit Matters (continued)

ii) Provision for liabilities and charges

Refer to Note 2(k)(i) – Provision for rework and recall cost, Note 2(k)(ii) – Provision for warranty and Note 13 – Provision for liabilities and charges.

The key audit matter

As of 31 March 2022, the Company recorded provision for warranty of RM1,594,000. The Company has exercised judgement in making these provisions in respect of the warranty obligations arising from the sale of goods.

A provision for rework cost and recall cost of RM952,000 and RM77,000 respectively were recorded based on management's best estimate of the expenditure for certain products to inspect, repair or replace items that are found not performing to the Company's quality standards.

How the matter was addressed in our audit

We performed the following audit procedures, among others:

- We obtained an understanding of the provision processes and evaluated the design and implementation of controls over liability and charges account.
- We evaluated the appropriateness of the Company's processes, evaluated and tested the assumptions used in the determination of the provisions and tested the validity of the data used in the calculations by comparing it to the actual warranty claims in prior years and the rework cost per unit incurred.
- We evaluated the appropriateness of the Company's key inputs to evaluate the provision for recall and tested the validity of the data used in the calculation of the provision.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report and Statement on Risk Management and Internal Control (but does not include the financial statements of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatements therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PANASONIC MANUFACTURING MALAYSIA BERHAD
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements of the Company. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF PANASONIC MANUFACTURING MALAYSIA BERHAD
(CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Mok Wan Kong
Approval Number: 02877/12/2022 J
Chartered Accountant

Petaling Jaya
Date: 31 May 2022

LIST OF PROPERTIES

OWNED BY THE COMPANY

Location	Description	Land Area (Acres)	Tenure	Date of Acquisition	Approximate Age of Buildings (Years)	Net Book Value (RM'000)
No. 3 Jalan Sesiku 15/2 Section 15 Shah Alam Industrial Site 40200 Shah Alam Selangor Darul Ehsan	Land	14.4	Leasehold, 99 years	6-Jul-1966		133
			92 years	25-Jun-1973		43
			84 years	29-Sep-1981		211
			(Expires in the year 2065)			
	Factory and administrative office				9 - 56	1,982
	SA1 New administrative building				3 - 4	33,940
No. 9 Jalan Pelabur 23/1 Section 23 40300 Shah Alam Selangor Darul Ehsan	Land	17.1	Leasehold, 99 years	11-Apr-1991		5,228
			(Expires in the year 2090)			
	Factory and administrative office				14 - 27	216
	SA2 New 3 storey factory & office building				1 - 3	39,145

STATISTICS ON SHAREHOLDINGS

AS AT 30 JUNE 2022

SHARE CAPITAL

Issued and Fully Paid-up Capital : RM60,745,780.00
 Class of Shares : Ordinary Shares
 Voting Rights : 1 vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	1,114	16.43	16,761	0.03
100 - 1,000	3,721	54.87	1,703,104	2.80
1,001 - 10,000	1,686	24.86	5,339,171	8.79
10,001 - 100,000	227	3.35	5,789,967	9.53
100,001 to 3,037,288 (less than 5% of issued shares)	31	0.46	8,290,160	13.65
3,037,289 and above (5% and above of issued shares)	3	0.04	39,606,617	65.20
Total	6,782	100.00	60,745,780	100.00

DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	Direct Interest	No. of Shares		%
			Deemed Interest		
1	Dato' Azman Bin Mahmud	0	0	0.00	0.00
2	Kenji Kamada*	0	0	0.00	0.00
3	Tan Sri Hasmah Binti Abdullah	0	0	0.00	0.00
4	Siew Pui Ling	100	0	0.00	0.00
5	Keisuke Nishida	0	0	0.00	0.00
6	Raja Anuar bin Raja Abu Hassan	0	0	0.00	0.00
7	Kwan Wai Yue	0	0	0.00	0.00
8	Michikazu Matsushita	0	0	0.00	0.00
9	Dato' Kaziah Binti Abd Kadir	0	0	0.00	0.00

* holds 1,178 common shares in Panasonic Holdings Corporation, the ultimate holding company of the Company.

SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholders	Direct Interest	No. of Shares		%
			Deemed Interest		
1	Panasonic Management Malaysia Sdn Bhd	28,823,871	-	47.45	-
2	Panasonic Holdings Corporation	-	28,823,871	-	47.45
3	Panasonic Holding (Netherlands) B.V.	-	28,823,871	-	47.45
4	Panasonic Asia Pacific Pte. Ltd	-	28,823,871	-	47.45
5	Employees Provident Fund Board	8,081,646	-	13.30	-
4	Kumpulan Wang Persaraan (Diperbadankan)	3,462,800	-	5.70	-

STATISTICS ON SHAREHOLDINGS

AS AT 30 JUNE 2022
(CONTINUED)

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30 LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	PANASONIC MANAGEMENT MALAYSIA SDN. BHD.	28,823,871	47.45
2	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	7,319,946	12.05
3	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	3,462,800	5.70
4	CHINCHOO INVESTMENT SDN. BERHAD	1,259,748	2.07
5	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	1,102,705	1.82
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ABERDEEN)	453,800	0.75
7	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FUND	453,000	0.75
8	MAYOON SDN BHD	360,000	0.59
9	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	311,192	0.51
10	HO HAN SENG	309,300	0.51
11	AMSEC NOMINEES (ASING) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR YEO KOK GEE (19359)	300,478	0.50
12	SHEN & SONS SDN BHD	272,000	0.45
13	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	259,700	0.43
14	AMSEC NOMINEES (ASING) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR YEO GEOK CHOO (19003)	241,538	0.40
15	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY INCOME FUND	220,400	0.36
16	AMSEC NOMINEES (ASING) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR TAI TAK SECURITIES PTE LTD (1442)	209,000	0.34
17	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (F TEMPLETON)	201,300	0.33
18	CHONG YEAN FONG	194,600	0.32
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR PUBLIC REGULAR SAVINGS FUND (N14011940100)	187,800	0.31

STATISTICS ON SHAREHOLDINGS

AS AT 30 JUNE 2022
(CONTINUED)

30 LARGEST SHAREHOLDERS (continued)

No.	Name of Shareholders	No. of Shares	%
20	LAI YAN YONG	184,400	0.30
21	CHONG KAH MIN	184,146	0.30
22	HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (UNITLINKED OP)	160,000	0.26
23	AMSEC NOMINEES (ASING) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR TAN MUI KOON (1496)	139,998	0.23
24	SAW KHAY CHEE	136,850	0.23
25	CHONG KAH YUNG	132,825	0.22
26	RHB NOMINEES (ASING) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE. LTD. (A/C CLIENTS)	124,500	0.21
27	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PARTICIPATING FUND	121,400	0.20
28	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG CONSUMER PRODUCTS SECTOR FUND	120,000	0.20
29	LAW KIANG	118,000	0.19
30	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSEQUITY INCOME FUND	110,400	0.18
		47,475,697	78.16

HISTORY OF DIVIDEND PAYMENT

Financial Year/Period	Paid-Up Capital (RM)	Cash Dividend Rate			Stock Dividend Rate	Total Dividend Rate	Gross Cash Dividend (RM)	Tax Rate			Taxation Amount (RM)	Net Cash Dividend (RM)
		Interim	Final	Special				Interim	Final	Special		
3/2022	60,745,780	15%	68%	0%	-	83%	50,418,997	S/T	S/T	S/T	-	50,418,997
3/2021	60,745,780	15%	148%	0%	-	163%	99,015,621	S/T	S/T	S/T	-	99,015,621
3/2020	60,745,780	15%	183%	0%	-	198%	120,276,644	S/T	S/T	S/T	-	120,276,644
3/2019	60,745,780	15%	211%	0%	-	226%	137,285,463	S/T	S/T	S/T	-	137,285,463
3/2018	60,745,780	15%	133%	100%	-	248%	150,649,534	S/T	S/T	S/T	-	150,649,534
3/2017	60,745,780	15%	102%	0%	-	117%	71,072,563	S/T	S/T	S/T	-	71,072,563
3/2016	60,745,780	15%	124%	0%	-	139%	84,436,634	S/T	S/T	S/T	-	84,436,634
3/2015	60,745,780	15%	35%	92%	-	142%	86,259,008	S/T	S/T	S/T	-	86,259,008
3/2014	60,745,780	15%	35%	23%	-	73%	44,344,419	25%	S/T	S/T	2,277,967	42,066,452
3/2013	60,745,780	15%	35%	138%	-	188%	114,202,066	25%	25%	25%	28,550,516	85,651,550
3/2012	60,745,780	15%	35%	70%	-	120%	72,894,936	25%	25%	25%	18,223,734	54,671,202
3/2011	60,745,780	15%	35%	95%	-	145%	88,081,381	25%	25%	25%	22,020,345	66,061,036
3/2010	60,745,780	15%	35%	70%	-	120%	72,894,936	25%	25%	25%	18,223,734	54,671,202
3/2009	60,745,780	15%	35%	55%	-	105%	63,783,069	25%	25%	25%	15,945,767	47,837,302
3/2008	60,745,780	15%	35%	65%	-	115%	69,857,647	T/E	25%	25%	15,186,445	54,671,202
3/2007	60,745,780	15%	35%	65%	-	115%	69,857,647	T/E	T/E	T/E	T/E	69,857,647
3/2006	60,745,780	15%	35%	65%	-	115%	69,857,647	28%	T/E	T/E	2,551,323	67,306,324
3/2005	60,745,780	15%	35%	150%	-	200%	121,491,560	28%	28%	28%	34,017,637	87,473,923
3/2004	60,745,780	15%	35%	10%	-	60%	36,447,468	28%	28%	28%	10,205,291	26,242,177
3/2003	60,745,780	10%	40%	-	70%	120%	30,372,890	28%	28%	-	8,504,409	21,868,481
3/2002	35,732,812	15%	35%	-	-	50%	17,866,406	28%	28%	-	5,002,593	12,863,813
3/2001	35,732,812	15%	35%	-	-	50%	17,866,406	T/E	28%	-	3,501,815	14,364,591
3/2000	35,732,812	15%	35%	-	-	50%	17,866,406	T/E	T/E	-	T/E	17,866,406
3/1999	35,732,812	15%	35%	-	-	50%	17,866,406	28%	T/E	-	1,500,778	16,365,628
3/1998	35,732,812	15%	35%	-	10%	60%	17,866,406	28%	28%	-	5,002,593	12,863,813
3/1997	32,484,375	10%	40%	20%	-	70%	22,739,063	30%	30%	30%	6,821,719	15,917,344
3/1996	32,484,375	10%	40%	-	-	50%	16,242,188	30%	30%	-	4,872,656	11,369,532
3/1995	32,484,375	10%	30%	-	-	40%	12,993,750	30%	30%	-	3,898,125	9,095,625
3/1994	32,484,375	10%	30%	-	-	40%	12,993,750	32%	32%	-	4,158,000	8,835,750
3/1993	32,484,375	10%	30%	-	50%	90%	12,993,750	34%	34%	-	4,417,875	8,575,875
3/1992	21,656,250	-	40%	-	-	40%	8,662,500	-	35%	-	3,031,875	5,630,625
3/1991	21,656,250	-	40%	-	-	40%	8,662,500	-	35%	-	3,031,875	5,630,625
3/1990	21,656,250	-	35%	-	-	35%	7,579,688	-	35%	-	2,652,891	4,926,797
3/1989	21,656,250	-	25%	-	-	25%	5,414,063	-	35%	-	1,894,922	3,519,141
3/1988	21,656,250	-	25%	-	-	25%	5,414,063	-	40%	-	2,165,625	3,248,438
3/1987	21,656,250	-	25%	-	10%	35%	5,414,063	-	40%	-	2,165,625	3,248,438
12/1985	19,687,500	-	25%	-	-	25%	4,921,875	-	40%	-	1,968,750	2,953,125
12/1984	19,687,500	-	35%	-	-	35%	6,890,625	-	40%	-	2,756,250	4,134,375
12/1983	19,687,500	-	35%	-	-	35%	6,890,625	-	40%	-	2,756,250	4,134,375
12/1982	19,687,500	-	20%	-	50%	70%	3,937,500	-	40%	-	1,575,000	2,362,500
12/1981	13,125,000	-	20%	-	-	20%	2,625,000	-	40%	-	1,050,000	1,575,000
12/1980	13,125,000	-	20%	-	25%	45%	2,625,000	-	40%	-	1,050,000	1,575,000
12/1979	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12/1978	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12/1977	10,500,000	-	20%	-	-	20%	2,100,000	-	40%	-	840,000	1,260,000
12/1976	10,500,000	-	15%	5%	-	20%	2,100,000	-	40%	40%	840,000	1,260,000
12/1975	10,500,000	-	15%	-	200%	215%	1,575,000	-	40%	-	630,000	945,000
12/1974	3,000,000	-	15%	-	-	15%	450,000	-	40%	-	180,000	270,000
12/1973	3,000,000	-	15%	-	-	15%	450,000	-	40%	-	180,000	270,000
12/1972	3,000,000	-	12%	5%	-	17%	510,000	-	T/E	40%	60,000	450,000
12/1971	3,000,000	-	12%	-	-	12%	360,000	-	T/E	-	T/E	360,000
12/1970	3,000,000	-	12%	-	-	12%	360,000	-	T/E	-	T/E	360,000
12/1969	3,000,000	-	10%	-	-	10%	300,000	-	T/E	-	T/E	300,000
12/1968	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
12/1967	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
12/1966	3,000,000	-	0%	-	-	0%	-	-	-	-	-	-
Total (Since Date of Incorporation)							1,902,237,163				245,392,385	1,656,844,778

T/E - Tax-exempt

S/T - Single-Tier

NOTICE OF 57TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 57th Annual General Meeting of the Company will be held fully virtual at No. 3 Jalan Sesiku 15/2, Section 15, Shah Alam Industrial Site, 40200 Shah Alam, Selangor Darul Ehsan ("Broadcast Venue") on Monday, 29 August 2022 at 2.30 p.m. and conducted entirely through live streaming from the Broadcast Venue for the following purposes:

AGENDA

As Ordinary Business:

1. To receive the Statutory Financial Statements for the financial year ended 31 March 2022 together with the Reports of the Directors and Auditors thereon.
2. To declare a final single tier dividend of 68 sen per ordinary share for the financial year ended 31 March 2022. **(Resolution 1)**
3. To re-elect the following Directors who are retiring in accordance with the Company's Constitution:
 - a. Tan Sri Hasmah Binti Abdullah (Article 100) **(Resolution 2)**
 - b. Siew Pui Ling (Article 100) **(Resolution 3)**
 - c. Michikazu Matsushita (Article 105) **(Resolution 4)**
 - d. Keisuke Nishida (Article 105) **(Resolution 5)**
4. To approve the payment of Directors' fees and meeting attendance allowance not exceeding RM800,000 in respect of the financial year ending 31 March 2023. **(Resolution 6)**
5. To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**

As Special Business:

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

6. **Continuation in office as Independent Non-Executive Director** **(Resolution 8)**
 "THAT approval be and is hereby given to Tan Sri Hasmah Binti Abdullah to continue to act as an Independent Non-Executive Director of the Company who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years."
7. **Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**
 "THAT subject always to the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company to renew the existing shareholders' mandate for recurrent related party transactions of a revenue or trading nature ("Proposed Shareholders' Mandate") for the Company to enter into the following recurrent related party transactions:
 - (i) Sales and purchase of products, raw material and component parts, tools, equipment or machinery with Panasonic Holdings Corporation Group of Companies as specified in Section 2 of the Circular to Shareholders dated 29 July 2022. **(Resolution 9)**
 - (ii) Payment of fees to and receipt of fees from Panasonic Holdings Corporation Group of Companies as specified in Section 2 of the Circular to Shareholders dated 29 July 2022. **(Resolution 10)**
 - (iii) Placement of cash deposits with Panasonic Financial Centre (Malaysia) Sdn Bhd as specified in Section 2 of the Circular to Shareholders dated 29 July 2022. **(Resolution 11)**
 - (iv) Other financial transaction services with Panasonic Financial Centre (Malaysia) Sdn Bhd as specified in Section 2 of the Circular to Shareholders dated 29 July 2022. **(Resolution 12)**

NOTICE OF 57TH ANNUAL GENERAL MEETING

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THAT the Proposed Shareholders' Mandate is subject to the following:

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public;
- (b) disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year where the aggregate value is equal to or exceeds the applicable prescribed threshold under the Listing Requirements and/or the relevant Practice Notes; and
- (c) annual renewal and such approval shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the expiration of the period within which the next Annual General Meeting is to be held pursuant to Section 340 of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340 of the Companies Act 2016), whichever is earlier.

AND THAT the Directors be and are hereby authorised to complete and execute all such acts and things (including such documents as may be required) to give effect to the transactions contemplated and/or authorised by these Ordinary Resolutions."

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that a final single tier dividend of 68 sen per ordinary share for the financial year ended 31 March 2022, will be paid on 23 September 2022 to depositors registered in the Record of Depositors and Register of Members at the close of business on 9 September 2022.

A Depositor shall qualify for entitlement to the dividend only in respect of:

- (a) Shares deposited into the Depositor's Securities Account before 4.30 p.m. on 9 September 2022 in respect of transfers.
- (b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

Leong Oi Wah
SSM Practicing Certificate No. : 201908000717
(MAICSA 7023802)
Company Secretary

Shah Alam
 29 July 2022

NOTICE OF 57TH ANNUAL GENERAL MEETING

VIRTUAL AGM

1. The 57th AGM of the Company will be conducted entirely on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting facilities which are available on Boardroom Share Registrars Sdn Bhd's website at Boardroom Smart Investor Online Portal at www.boardroomlimited.my. Please follow the procedures provided in the Administrative Details for the 57th AGM in order to register, participate and vote remotely.
2. The broadcast venue of the 57th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The venue of the 57th AGM is to inform shareholders where the electronic AGM production and streaming would be conducted from. No shareholder(s)/proxy(ies) from the public will be physically present at the meeting venue.

PROXY NOTES

1. A Member entitled to attend and vote is entitled to appoint 1 proxy but not more than 2 proxies to attend and vote instead of him and the Member shall specify the proportion of his shareholdings to be represented by each proxy. When a Member is an exempt authorised nominee, there is no limit to the number of proxies which it may appoint.
2. The instrument appointing a proxy or proxies in the case of an individual shall be signed by the appointer or by his attorney and in the case of a corporation, the instrument appointing a proxy or proxies must be under Common Seal or under the hand of the officer or attorney duly authorised.
3. The instrument appointing a proxy or proxies must be deposited at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the holding of the meeting or any adjournment thereof. Alternatively, the instrument appointing a proxy can be deposited electronically (for individual shareholders only) through the Share Registrar's website, Boardroom Smart Investor Online Portal at <https://www.boardroomlimited.my/> or via email to bsr.helpdesk@boardroomlimited.com before the Form of Proxy lodgement cut-off time as mentioned above.
4. Depositors who appear in the Record of Depositors as at 19 August 2022 shall be regarded as Members of the Company entitled to attend the 57th Annual General Meeting or appoint a proxy to attend and vote on his behalf.

Notes on Resolutions 2 to 5

For the purpose of determining the eligibility of the Directors to stand for re-election at the 57th AGM, the Board through its Nomination Committee had assessed Tan Sri Hasmah Binti Abdullah, Ms Siew Pui Ling, Mr Michikazu Matsushita and Mr Keisuke Nishida (collectively "the Retiring Directors"). Tan Sri Hasmah Binti Abdullah and Ms Siew Pui Ling were assessed on their performance and understanding of the Group's business. Their active participation at the Board meetings showed that they were prepared and were effective in the discharge of their responsibilities. No circumstances have arisen in the past year to impair the independent judgement of Tan Sri Hasmah Binti Abdullah on matters brought for Board discussion and she has always acted in the best interest of the Company as a whole.

The Board also agreed to recommend the re-election of Mr Michikazu Matsushita and Mr Keisuke Nishida who were appointed to the Board recently to fill the casual vacancies on the Board. They are due for retirement at the 57th AGM of the Company pursuant to Article 105 of the Company's Constitution and they are eligible for re-election. Based on their wealth of experience and the skills that they can bring to the Company, the Board views that their re-election would bring benefits to the Company.

Based on the above, the Board supports the re-election of the Retiring Directors.

NOTICE OF 57TH ANNUAL GENERAL MEETING

[Corporate Overview](#)[Business Review](#)[Governance](#)[Financial Statements](#)**[Additional Information](#)**

Explanatory Note to Special Business:

Resolution 8

Tan Sri Hasmah Binti Abdullah has served as Independent Non-Executive Director of the Company since 2 October 2013. She would reach her nine (9) year term as Independent Non-Executive Director of the Company on 2 October 2022. In line with the spirit of the Malaysian Code on Corporate Governance that shareholders' approval be sought if the Board intends to retain an independent director beyond nine (9) years, the Company is proposing the resolution for her retention.

The Nomination Committee and the Board have assessed her independence at its meetings held on 24 May 2022 and have recommended that she continue to act as an Independent Non-Executive Director of the Company based on the following justifications:

- a) She has met the independence guidelines as set out in Chapter 1 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- b) She provides a check and balance and brings an element of objectivity to the Board of Directors.
- c) She continues to be scrupulously independent in his thinking and in her effectiveness as constructive challenger of the Managing Director and Executive Directors.
- d) She actively participated in board discussion and provided an independent voice on the Board and the Board has determined that Tan Sri Hasmah bin Abdullah is able to bring independent and objective judgements to the Board as a whole and strongly recommend her continuation in office as an Independent Non-Executive Director of the Company.

Resolutions 9 to 12

Please refer to the Circular to Shareholders dated 29 July 2022 for further information.

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FORM OF PROXY

Panasonic Manufacturing Malaysia Berhad

Registration No. 196501000304 (6100-K)
(Incorporated in Malaysia)

CDS Account No.

I/We, _____

*NRIC No./Company No./Passport No. _____ of _____

_____ being a Member of

Panasonic Manufacturing Malaysia Berhad hereby appoint _____

Email address _____ Mobile No. _____

*and/or failing him/her _____

Email address _____ Mobile No. _____

or failing him/her *the Chairman of the Meeting as my/our proxy/proxies to vote on my/our behalf at the 57th Annual General Meeting ("AGM") of the Company to be held fully virtual at No. 3 Jalan Sesiku 15/2, Section 15, Shah Alam Industrial Site, 40200 Shah Alam, Selangor Darul Ehsan ("Broadcast Venue") on Monday, 29 August 2022 at 2.30 p.m. and at any adjournment thereof. My/our proxy/proxies is/are to vote as indicated below:

Resolutions	Ordinary Business	For	Against
1.	Declaration of a final single tier dividend of 68 sen per ordinary share.		
2.	Re-election of Tan Sri Hasmah Binti Abdullah		
3.	Re-election of Siew Pui Ling		
4.	Re-election of Michikazu Matsushita		
5.	Re-election of Keisuke Nishida		
6.	Approval of the payment of Directors' fees and benefits.		
7.	Re-appointment of Auditors.		
Special Business			
8.	Approval for the continuation in office of Tan Sri Hasmah Binti Abdullah as Independent Non-Executive Director.		
9.	Approval for Recurrent Related Party Transactions ("RRPT") - Sales of products, sales of tools and equipment, purchase of parts, components, raw materials, purchase of equipment, promotion expenses, warranty claims and/or service expenses and purchase of machinery, equipments and tools.		
10.	Approval for RRPT - Payment and receipt of fees.		
11.	Approval for RRPT - Placement of cash deposits and other treasury services.		
12.	Approval for RRPT - Other treasury services.		

(Please indicate with an "X" in the appropriate box against the resolutions on how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote at his/her discretion.)

The proportion of my/our shareholding to be represented by my/our proxy/proxies is as follows:

First named proxy %
Second named proxy %
_____ 100%

In case of a vote taken by show of hands, the first named proxy shall vote on my/our behalf.

Signed this _____ day of _____ 2022

Signature/Common Seal of Shareholder

* Strike out whichever is not applicable.

Notes:

1. As part of the initiatives to curb the spread of Coronavirus Disease 2019 (COVID-19), the Company will conduct the 57th AGM entirely via remote participation and electronic voting facilities. Kindly refer to the attached Administrative Details for the 57th AGM for more information.
2. The only venue involved is the Broadcast Venue for the compliance with Section 327(2) of the Companies Act 2016 that the Chairman of the Meeting shall be present at the main venue of the AGM. No Shareholders/Proxies/Corporate Representatives from the public should be physically present nor admitted at the Broadcast Venue on the day of the AGM.
3. As the 57th AGM will be conducted as a fully virtual meeting, a member who is not able to participate in the AGM is encouraged to appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.
4. A Member entitled to attend and vote is entitled to appoint 1 proxy but not more than 2 proxies to attend and vote instead of him and the Member shall specify the proportion of his shareholdings to be represented by each proxy. When a Member is an exempt authorised nominee, there is no limit to the number of proxies which it may appoint.
5. The instrument appointing a proxy or proxies in the case of an individual shall be signed by the appointer or by his attorney and in the case of a corporation, the instrument appointing a proxy or proxies must be under Common Seal or under the hand of the officer or attorney duly authorised. The instrument appointing a proxy or proxies must be deposited at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the holding of the meeting or any adjournment thereof. Alternatively, the instrument appointing a proxy can be deposited electronically (for individual shareholders only) through the Share Registrar's website, Boardroom Smart Investor Online Portal at <https://www.boardroomlimited.my/> or via email to bsr.helpdesk@boardroomlimited.com before the form of proxy lodgement cut-off time as mentioned above.
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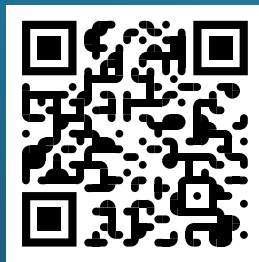
AFFIX STAMP

The Share Registrar
Panasonic Manufacturing Malaysia Berhad

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13,
46200 Petaling Jaya, Selangor Darul Ehsan

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3rd fold here



Panasonic Manufacturing Malaysia Berhad (Registration No.: 196501000304 (6100-K))
No 3, Jalan Sesiku 15/2, Section 15, Shah Alam Industrial Site, 40200 Shah Alam, Selangor Darul Ehsan, Malaysia.
Tel: +603-5891 5000 Fax: +603-5891 5101 Email: ir.pmma@my.panasonic.com

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